

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1709	McDowell Mountain Golf Course Lease	Issued:	9/1/2017	
1	The Public Works Director should ensure Real Estate staff obtains documentation of the value of the required Licensee in-kind improvements.	Jan 2018: The Public Works Director stated staff was directed to work with the Licensee to obtain any documentation of the value of the improvements. No further information is available at this time.	Part Impl'd	<input checked="" type="checkbox"/>
1710	Capital Projects: Project Management and Allocated Charges	Issued:	9/8/2017	
1A	The City Engineer should at least annually, evaluate CPM staffing levels in relation to the capital projects that the department manages.	May 2018: CPM provided an analysis showing project managers have 24 projects on average. Of 3 vacant project manager positions, CPM has been approved to fill 2. This will result in an average 18.5 projects per project manager. Sept 2018: The City Engineer stated the staffing level analysis will continue to be evaluated in late August/early September. His most recent analysis identified an average of 18.97 projects per Project Manager.	Implemented	<input checked="" type="checkbox"/>
1B	The City Engineer should formalize and define the direct-bill performance standard for project managers. The City Engineer should review the performance results on a regular basis and evaluate whether the goal is effective and reasonable. Additionally, the City Engineer should report the percentage of total CPM costs to project costs as the efficiency measure in the budget book.	May 2018: The City Engineer provided a direct-bill percentage goal of 90% for project managers, which he will be checking biannually. For clarity, he also provided a sample calculation to show that the goal excludes personal time (such as vacation hours). The City Engineer also stated he plans to update CPM's performance measures before the budget book is published. Sept 2018: The City Engineer analyzed Project Managers' billable time, excluding leave time used, as 94%. However, the reported CPM cost percentage continues to only calculate allocated costs, excluding directly charged costs.	Part Impl'd	<input checked="" type="checkbox"/>
1C	The City Engineer should provide client departments with detailed data on the direct hours and payroll costs charged to their individual projects.	May 2018: Auditors reviewed the report developed for projects' salary charges and the March 2018 email distributing the report to department directors and other designated staff.	Implemented	<input checked="" type="checkbox"/>
2	The City Engineer and CIP Coordinator should, during the annual budget process, estimate overhead costs for the fiscal year and how these costs would be allocated equitably to individual projects in proportion to the staff effort involved. These annual amounts could then be charged on a quarterly or monthly basis to cover actual expenses incurred. At the end of the fiscal year, adjusting entries can be made in order to ensure projects are expensed equitably and appropriate costs have been recovered.	May 2018: The City Engineer reported that he has been working with the CIP Budget Coordinator to evaluate the additional non-design and non-construction costs by project. They are analyzing the monthly, quarterly and annual application of costs to determine the best practice to use. Sept 2018: The CIP Coordinator reported there are no plans to change the CIP Allocation's use of budgeted amounts. The City Engineer reported that the CPM Allocation will be charged on a quarterly basis, the same timing as the CIP Allocation.	Part Impl'd	<input checked="" type="checkbox"/>

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1803	Intelligent Transportation Systems	Issued:	5/9/2018	
1A	The Traffic Management Center should work with the Information Technology (IT) department to review roles and responsibilities for technology management activities, identify potential security risks and options for minimizing those risks. In particular, the TMC should request that the IT network vulnerability scans include the ITS network and devices.	<p>Sept 2018: Department staff reported they are working with IT department staff to include the traffic network in the periodic vulnerability scans and are currently testing the process. The risk assessment has not yet been completed. June 2019: The department reported the test scan was successful. Full implementation has been put on hold while the department is restructuring the device network to further segment it. Nov 2019: ITS reported that a recently vacant position is being reclassified to a network analyst to focus on technology needs. As this position is filled, additional progress is anticipated in addressing these areas. May 2020: The department reported it is currently included in network vulnerability scans, and the network administration position was filled. Further, the department is working to identify and address security risks, such as software updates and patches. Further clarification of technology management roles and responsibilities is planned. Sept 2020: Progress has been made in engaging the City's central IT department in network security and access management, although the departments have not formalized roles and responsibilities. Also, the department reported it has evaluated its software versions to ensure they are up-to-date.</p>	Part Impl'd	<input checked="" type="checkbox"/>

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1B	The Traffic Management Center should establish policies and procedures relating to TMC physical and user access to workstations, servers and applications to minimize the risk of unauthorized changes or disruptions.	Sept 2018: The department staff reported reducing the number of personnel with TMC door access and system access. They also reported no longer having shared user and generic accounts; instead they manage individual account access. Further, they stated user activity will be reviewed every six months and inactive accounts removed. Auditors will review documentation of access changes for the next status update. June 2019: The department reported that centrally controlling user accounts and passwords has not been possible, and they will consult with the IT department regarding a potential solution. The user privileges report has not yet been received for evaluation. Nov 2019: Auditors reviewed the user privileges report and questioned several accounts. ITS adjusted most of these accounts and is following up on the vendor's user accounts in the system. Also, policies and procedures need to be more specific to adequately address user access risks. May 2020: Currently City IT is managing user accounts on the ITS workstations. ITS plans to clarify user account management roles and responsibilities. Written policies and procedures are not yet in place. Sept 2020: Workstation log ins now follow City policies and authenticate through the City domain. ITS procedures still do not address timely removal/update of user accounts when employees change positions or leave employment.	Part Impl'd	<input checked="" type="checkbox"/>
1C	The Traffic Management Center should identify and assess potential risks and create a plan to reduce those risks, including developing business continuity and disaster recovery plans.	Sept 2018: The department staff reported that disaster recovery planning is still in process, including developing emergency fiber repair policy and procedures and archiving the TransSuite databases weekly. June 2019: The department staff reported that emergency planning and the business continuity plan should be completed this month. The IT department is assisting with backup/recovery capabilities. Some additional testing remains to be done. Nov 2019: ITS reported that emergency management turnover has delayed finalizing the business continuity plan, but this is still underway. May 2020: Business continuity planning is still in progress and disaster recovery has not yet been tested. Sept 2020: The department reported that its Disaster Recovery Plan is still in progress and has not been tested yet. March 2021: The department reported this plan is still in progress.	In Progress	<input checked="" type="checkbox"/>

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2A	The Traffic Management Center should develop and document policies and procedures, such as standard operating procedures for TMC operations, adopted industry standards and documentation of network architecture.	Sept 2018: The department reported several policies and procedures are currently in development related to TMC operations, such as emergency response and congestion management, signal outages and malfunctions, and signal timing standards. June 2019: The department reported some policies and procedures have been completed with more in process. Nov 2019: ITS reported that a review project related to finalizing the operating policies and procedures is still in progress. May 2020: The department provided its policies and procedures for auditor review; updates will be an ongoing process.	Implemented	<input checked="" type="checkbox"/>
2B	The Traffic Management Center should ensure formal agreements are established and monitored, including service level expectations such as downtime limits, maintenance windows, issue response time. Also, the TMC should follow the City's established procurement review processes for all new applications.	Sept 2018: The department staff reported they are working with the primary vendor to renew the maintenance and technical support service contract. The relationships with the other two vendors are being reviewed due to changes that have occurred. One vendor is no longer supporting its application and the second vendor now wants to charge for use of its application. Data access was terminated for the second vendor. June 2019: The updated management agreements have been drafted and are undergoing legal review. Nov 2019: ITS reported that the draft agreements are still awaiting final signatures. May 2020: Auditors reviewed the updated, signed agreements.	Implemented	<input checked="" type="checkbox"/>

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2C	The Traffic Management Center should develop strategic planning documents to clearly identify objectives, outcomes, and strategies to guide TMC day-to-day operations and ITS long-term objectives.	<p>Sept 2018: The department staff reported they are planning to develop an ITS Strategic Plan to outline the direction and goals of the program and TMC operation. They noted that the ITS industry is rapidly changing due to connected vehicles and other emerging technology, and so the longer-term plan may need to be high level. The department is working to get IT approval to implement a better work order system, currently being used in Pavement Operations, to track and manage assets, work orders and maintenance. June 2019: The department reported this project remains pending. Nov 2019: ITS reported that the unknown factors, such as connected and autonomous vehicles, make long-range planning difficult at this time. Also, the consultant cost to prepare a strategic plan is prohibitive. Therefore, ITS will internally develop a strategic plan though it may take a longer period for completion. May 2020: The department reported that it has identified several goals and strategies for the next couple years, although industry technical direction needs to be clearer for a long-term plan. The current goals and strategies are not yet written to ensure consistent understanding. Sept 2020: The department reported the same status as in May - a strategic plan will be developed when the industry chooses a clearer direction. March 2021: Auditors reviewed the draft strategic plan, which contains the department's strategic goals and planned actions and benefits.</p>	Implemented	<input checked="" type="checkbox"/>

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1804	Selected JOC Construction Contracts	Issued:	6/15/2018	
1A	<p>The Public Works Director should require CPM to develop and enforce standard procedures for job order proposal review and approvals. Specifically, CPM should: 1. Ensure that either the staff estimator or a contracted estimator submits a cost estimate for comparison to the contractor's project cost proposal., 2. Obtain and evaluate the contractor's subcontractor selection plans and subcontractor quotes, and monitor and approve any changes to the approved subcontractors and suppliers., 3. Develop cost proposal evaluation guidance, such as standards that describe which costs are typically direct project costs and which should usually be part of the contractor's overhead and profit fee.</p>	<p>Sept 2018: CPM reported that staff is working to standardize the proposal format to better present cost information for evaluation. As part of this, they are reaching out to Valley peer cities for what they use. CPM is trying to use subcontractor and supplier costs "grossed up" to include taxes, insurance and bonds for better comparison while making it easy to use. There is currently not an in-house estimator, and for specialized areas such as water projects, CPM relies on the project engineers for cost evaluation. May 2019: Auditors selected 3 FY 2018/19 JOC projects and found limited documentation of cost proposal evaluations. One of the 3 cost proposals contained a \$3,300 math error (in the contractor's favor) that was not identified and corrected. The City Engineer agreed and will investigate further. Sept 2019: The City Engineer reported that the math error was corrected. Further, he noted that the project team reviews each cost proposal and approves it prior to project execution, but the volume of cost proposals is more than the one estimator can review. Auditors will review additional cost proposals for a future status update. Jan 2020: For six tested projects, there were no cost estimates available for comparison to the contractor's cost proposal. Auditors will continue to test CPM's progress in implementing this control. May 2020: The City Engineer reported that staff will be meeting with JOC contractors to discuss costs and fee format as there is a lot of varying practice between contractors and municipalities. Subsequently, CPM will be standardizing its approach. Sept 2020: The City Engineer provided a draft version of methodology being developed to better price JOC contract proposals. The methodology outlines variable overhead and profit margins based on the project's direct costs, and it includes evaluation of the subcontractor selection process. Planned completion is end of 2020. Jan 2021: Auditors reviewed an example of a new contractor proposal using the new form.</p>	Implemented	<input checked="" type="checkbox"/>

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1B	The Public Works Director should require CPM to ensure that all necessary approvals are obtained and documented prior to creating a job order contract or adjustment.	<p>Sept 2018: CPM reported that it has updated the Job Order adjustment form to include the partner department signature. Currently the approvals needed include the Project Manager, CIP Coordinator, partner department and City Engineer. While the form has been updated, the project management manual has not yet been updated to describe the required approval process and to incorporate the estimator's role in proposal evaluation. May 2019: The project management manual has been updated to incorporate the estimator review. Because this position has been vacant, however, the 3 selected JOC cost proposals were not reviewed by an estimator and the Construction Admin Supervisor reviewed only 2 of the 3. The Project Manager and partner department representative reviews were documented as required by the project management manual. Sept 2019: The City Engineer reported that prior to his authorization, each JOC proposal is reviewed to ensure it contains signatures from the CAS, Project Manager and partner department. The cost proposal volume is more than the one cost estimator can review. Auditors will review additional cost proposals for a future status update. Jan 2020: Of the six projects reviewed, one had an adjustment increasing the project cost to over \$500,000 but there is no evidence that the City Manager's approval was obtained. May 2020: The City Manager approval memo was received and placed in the project file.</p>	Implemented	<input checked="" type="checkbox"/>
1C	The Public Works Director should require CPM to submit for required approvals any job order projects that give the appearance of split projects.	<p>Sept 2018: CPM reported that they are watching closely for this when considering projects in early development and will not use a JOC contractor if project costs are too close to the limit. Further they are being more careful when doing two projects at the same location to ensure there is not overlap in the work.</p>	Implemented	<input checked="" type="checkbox"/>

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2A	The Public Works Director should require CPM to obtain and evaluate the contractor's subcontractor selection plans and monitor and approve any changes to the originally proposed subcontractors and suppliers.	Sept 2018: CPM reported that inspectors monitor project process and will note any deviations in subcontractors or planned quality. The inspector daily reports are sent to the Construction Admin Supervisor and the Project Manager and discussed in biweekly meetings with the contractors. Auditors will test this documentation for a future update. May 2019: Auditors selected 3 FY 2018/19 JOC projects for review. The daily inspection reports noted one change in subcontractor, but the project file did not contain approval documentation. Sept 2019: The City Engineer noted that the one subcontractor change was due to availability. Field staff has been directed to ensure they have documented approval for any substitutions. Auditors will review additional projects for a future status update. Jan 2020: For one of six projects tested, the request for use of \$21,500 in allowances was not documented as required. May 2020: The email documentation subsequently placed into CPM's document management system showed that \$11,097 of the allowance use was approved prior to work being performed; the remaining amount was unspent.	Implemented	<input checked="" type="checkbox"/>
2B	The Public Works Director should require CPM to document that all necessary contractor pay request approvals are obtained prior to payment. Also ensure appropriate segregation of duties by requiring a secondary review and approval and ensure that signature authority is not exceeded.	Sept 2018: CPM reported staff has been directed to formalize their approval of all pay applications. Previously, Inspectors and the Construction Admin Supervisor would give verbal approval. The JOC Coordinator is to not proceed with the payment application until all reviews and approvals have been obtained. Auditors will review documentation for consistent application of these procedures for a future update. May 2019: Auditors selected 3 FY 2019 JOC projects for review and supporting documentation of approvals was available.	Implemented	<input checked="" type="checkbox"/>
2C	The Public Works Director should require CPM to ensure the contractors submit bond certificates and maintain sufficient bond coverage.	Sept 2018: CPM reported staff has added tracking information for performance bonds as work orders and adjustments are created, prior to execution of the documents. However, the tracking spreadsheet details can be more specifically labeled so that the information is not misunderstood as remaining contract balances. May 2019: Auditors selected 3 FY 2018/19 JOC projects and found CPM was properly tracking the contractor bond balances.	Implemented	<input checked="" type="checkbox"/>

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2D	The Public Works Director should require CPM to ensure that job order adjustments are appropriately calculated prior to approval.	Sept 2018: CPM reported that job order adjustments are reviewed by multiple staff to ensure they are accurate. Auditors will review recent job order adjustment documentation for a future update. May 2019: Auditors selected 3 FY 2018/19 JOC projects and found the job order adjustments were correctly calculated and approved.	Implemented	<input checked="" type="checkbox"/>
2E	The Public Works Director should require CPM to ensure that all required close-out documents are received prior to the contractor's final payment.	Sept 2018: CPM reported that the JOC Coordinator is responsible to ensure that all close-out documents are received before processing the final payment. Also, the Construction Admin Supervisor will only sign the Final Acceptance if the work has been completed and all close-out documents received. Auditors will review project close-out documents for a future update. May 2019: Auditors selected 3 recent FY 2018/19 JOC projects to see implementation of the policy change; however, only 1 was completed. Sept 2019: Additional project documentation will be reviewed for the next status update. Jan 2020: Two of the six tested projects were completed and the close-out documents were obtained.	Implemented	<input checked="" type="checkbox"/>
3	The Public Works Director should require CPM to establish policies and procedures for the maintenance and retention of contract-related documents.	Sept 2018: CPM reported the records retention policy has been approved to allow digital storage of project records and this information has been provided to CPM staff. The JOC Coordinator will check for all job order contracts, adjustments, pay apps and closing documents. Auditors will review records retention on a recent project for a future update. May 2019: Auditors selected 3 FY 2018/19 JOC projects for review. Applicable supporting documentation for review and approval of the pay applications and close-out items was available.	Implemented	<input checked="" type="checkbox"/>
1805	Miscellaneous Expenses	Issued:	3/9/2018	
1A	The City Manager should work with the City Treasurer to move the non-capital asset requirement to a more appropriate administrative regulation. Further, consider requiring applicable departments to maintain a list of tools and equipment assigned to each employee, location, or assigned vehicle and to label items as City of Scottsdale property. Also require departments to comply with the existing requirement to periodically inventory high-risk non-capital items.	Sept 2018: After input from operating departments, the City Treasurer's office developed a separate Non-Capital Assets administrative regulation (AR 227) which has been shared with the executive team and through the June 2018 Accounting Department monthly memo. The AR addresses policies and procedures for managing non-capital assets, including maintaining a listing and conducting a periodic inventory at least annually.	Implemented	<input checked="" type="checkbox"/>

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1B	The City Manager should request the City Treasurer's Accounting department to provide guidance to assist City staff in distinguishing between Small Tools & Equipment commodities, capital assets and supply expenditure categories.	Sept 2018: While new guidance was not provided, the Accounting Department issued a monthly memo in June 2018 with a link to expenditure account descriptions and encouraging staff to contact the department for any questions.	Part Impl'd	<input checked="" type="checkbox"/>
2A	The City Manager should direct the Purchasing department to conduct an analysis of office supplies contract alternatives to provide assurance that the City is receiving the best value. Additionally, require the contract administrator to request the quarterly price lists and Pricing Compliance Reports and spot check pricing.	Sept 2018: Purchasing reported staff is conducting a 2-phase analysis of office supplies providers. First, they are analyzing available cooperative contracts to determine which suppliers best match City needs. This phase is expected to be completed by November 19, 2018. Second, Purchasing will conduct a best value analysis based on a market basket of comparable products commonly ordered, online system functionalities, and delivery services. This phase is expected to be completed by January 31, 2019. May 2019: Purchasing is working to update the office supply contract. The department has identified three primary providers available through five cooperative contracts. By July 31, the department plans to complete a price analysis of commonly purchased items to identify the City's best value from among the available contracts. Sept 2019: Auditors verified that Purchasing completed its best value analysis based on a market basket of frequently ordered items to determine the most advantageous cooperative contract. Auditors also verified that Purchasing tested contract pricing for a sample of items purchased under the existing contract to verify they were priced correctly. Purchasing plans to continue these pricing spot checks each quarter.	Implemented	<input checked="" type="checkbox"/>
2B	The City Manager should direct Budget to include per-employee costs analysis when reviewing office supply budgets. This analysis should consider cost factors such as breakroom supplies and printer toner for standalone desktop printers.	Sept 2018: Purchasing reported action on this recommendation will depend on whether the previous (2A) analysis will assist with developing per-employee cost data. May 2019: Budget reported creating a report that calculates office supplies per FTE and can be summarized by division, department or center. These reports were reviewed during the FY 2019/20 budget development, with budget analysts contacting departments for further information as needed.	Implemented	<input checked="" type="checkbox"/>

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2C	The City Manager should direct the Purchasing department to analyze the benefit of a citywide Amazon.com business account with the associated Prime service.	Sept 2018: The Purchasing department has established a citywide Amazon business account. Use of this account is being implemented on a test basis with selected procurement card holders on October 31, 2018 before being rolled out to all procurement card holders. Feb 2019: In November 2018, Purchasing notified all procurement card holders of the Amazon business account availability and related training and informed them to not use any other Amazon account for City purchases.	Implemented	<input checked="" type="checkbox"/>
1806	WestWorld Marketing & Concession Contracts	Issued:	1/17/2018	
1A	The WestWorld General Manager should require the vendor to incorporate more data and research-based analysis, including a complete pricing analysis, to support the marketing plan's conclusions and strategies. Further, City staff should work with the vendor and other stakeholders to address challenges, such as private-use limitations. The City Manager should consider establishing additional reviews and input to help ensure that the WestWorld marketing plan's objectives and strategies are aligned with City goals.	June 2018: WestWorld management indicated an updated and more detailed plan is to be submitted by the marketing contractor in July 2018. Sept 2018: WestWorld management indicated the contractor submitted an updated plan in August 2018 for FY 2018/19. However, until they find out if the contract is to be extended, the contracted firm has not made substantial changes. Based on auditor's review, the August 2018 plan resembles previously submitted marketing plans, with little change to the data and research. For example, the capacity analysis appears flawed and largely focused on weekend activity. The City issued a separate contract for business plan development. June 2019: WestWorld management stated the FY 2019/20 marketing plan is in process and should soon be finalized. Dec 2019: The marketing plan has not yet been provided. May 2020: WestWorld management responded that the recommendation is no longer applicable as a new contract has been approved (March 3, 2020). However, a research and data-based marketing strategy is not contract dependent. Instead, it is a best practice aimed at making effective use of a facility. Under the new contract, the contractor is still required to develop an annual marketing strategy.	In Progress	<input checked="" type="checkbox"/>

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1B	The WestWorld General Manager should require the vendor to complete the marketing activities described in the contract.	<p>June 2018: WestWorld management responded that discussions regarding the contract are in progress.</p> <p>Sept 2018: WestWorld management indicated the updated marketing plan was submitted in August 2018, but the contracted firm has not performed the additional required marketing activities because the contract may not be continued. June 2019: WestWorld management reported there has been little change in these specified activities. The annual report has not yet been filed, but he will request it from the contractor. Dec 2019: The annual report has not yet been provided. May 2020: WestWorld management responded that the recommendation is no longer applicable as a new marketing contract has been approved (March 3, 2020). However, the recommendation to ensure the contract terms are met is still valid.</p>	In Progress	<input checked="" type="checkbox"/>
2A	The WestWorld General Manager should ensure accurate event and concession revenues and event expenses are recorded rather than using the subcontractor fees to pay event losses.	<p>June 2018: WestWorld management responded that his staff can work with the Treasurer's office to determine how to handle these.</p> <p>Sept 2018: According to WestWorld management, together with the Budget office, they have put a process in place and any credits will be issued by check rather than reducing the event producer's invoice. Based on auditor review, no event credit checks have been issued yet. June 2019: Auditors reviewed documentation of a recent event's credit balance being issued as a refund check.</p>	Implemented	<input checked="" type="checkbox"/>
2B	The WestWorld General Manager should ensure the Food & Marketing and Monterra agreement use fees are enforced or modifications are properly formalized and	<p>June 2018: Auditors confirmed that WestWorld management discontinued paying interest on the security deposit and for liquor license enforcement costs.</p>	Implemented	<input checked="" type="checkbox"/>

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2C	The WestWorld General Manager should consult with the City Attorney's Office about questions regarding the determination of Gross Food Sales.	June 2018: Auditors confirmed WestWorld management is now requiring appropriate fees on the cash bar sales. Management stated other fees will remain the same while this is being reviewed with the City Attorney's office. Sept 2018: As a temporary solution while WestWorld's future business plan is being determined, the WestWorld management and the City Attorney's office will modify the standard event contract to exclude from concession fees the other revenues of the sublicensee produced events. Longer term, the conflicting Food & Marketing contract provisions will need to be addressed if the contract is extended. June 2019: WestWorld management provided 2 clauses added to the standard event contract template to address events produced by the marketing contractor or concessionaire. However, these clauses do not yet clarify how the contract terms apply to other related revenues. Dec 2019: WestWorld management stated the contract is still being reviewed. May 2020: The new marketing contract approved on March 3, 2020, incorporated a new definition of Gross Food Sales that addresses events produced by the vendor (marketing contractor or concessionaire subcontractor).	Implemented	<input checked="" type="checkbox"/>
2D	The WestWorld General Manager should consult with the City Attorney's Office regarding contract clarification for contractor-produced events.	June 2018: The WestWorld General Manager reported he is working with the City Attorney's office on clearer, more defined terms. Sept 2018: This is still in process. June 2019: WestWorld management provided 2 clauses added to the standard event contract template to address events produced by the marketing contractor or concessionaire. However, management has not yet clarified how conflicts of interest will be avoided in scheduling and contract terms. May 2020: WestWorld management consulted with the City Attorney's Office regarding contractor-produced events. A new contract was approved on March 3, 2020.	Implemented	<input checked="" type="checkbox"/>
3A	The City Manager should request Human Resources to review the potential ethics issue.	June 2018: The City Manager referred this matter to Human Resources, the department charged with reviewing such issues.	Implemented	<input checked="" type="checkbox"/>

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3B	The Contract Administrator should ensure contractual timelines are met and equipment inventories are updated annually and submitted.	June 2018: WestWorld management reported that they will begin paying the base marketing fee in quarterly installments in the new fiscal year (July 2018). They have not yet determined how to handle the percentage marketing fee. The equipment inventory was provided but additional information is needed to comply with the contract. Sept 2018: The base marketing fee is now being paid in quarterly installments. WestWorld staff has not yet determined how to implement timely payment of the percentage marketing fee. The equipment inventory has been updated with additional, though not all, required elements.	Part Impl'd	<input checked="" type="checkbox"/>
3C	The Contract Administrator should ensure contracts and reports to City Council contain accurate information.	June 2018: Auditors reviewed the Council report for a recent event contract; the report provided complete information for this small event. Sept 2018: Auditors reviewed a recent Council report (September 25, 2018) for an event contract. WestWorld management noted for informational purposes the prior year's base use fee, ticket surcharges, commissions, invoice credits and total for the event. However, based on auditor review, supporting documents indicate that the reported event invoice amounts did not reflect the invoice credits and the realized event total was about 10% lower than reported. June 2019: On June 11, 2019, Council approved Ordinance 4399 authorizing the City Manager to execute WestWorld agreements with terms of 5 years or fewer. As a result, few contracts are likely to need staff reports to the City Council.	Not Applicable	<input checked="" type="checkbox"/>
3D	The Contract Administrator should work with the City Attorney's Office to review the vendor's use of the WestWorld name to ensure that the vendor's role is not misrepresented.	June 2018: WestWorld management indicated the contract is being discussed, along with the ongoing business plan development. Sept 2018: still in progress. June 2019: WestWorld management reported that the contractors make it clear to customers that they are contractors. Auditors reviewed email signature for one representative to confirm the company's name was in the signature line.	Implemented	<input checked="" type="checkbox"/>
3E	The Contract Administrator should review current processes for verifying concessions and catering revenues for efficiency and effectiveness. Consider working with the Food & Alcohol subcontractor to use common labels or event numbers, verifying third-party vendors on-site during events, and reviewing use fee calculations electronically.	June 2018: Based on auditor review of recent concession reports, the vendor is providing additional information, including identifying the planned third-party on-site vendors and noting the event name where names do not already match with WestWorld's records. The vendor invoices are now specifying the event location (Monterra versus other WestWorld site). As well, the vendor has been providing the electronic fee calculation spreadsheets.	Implemented	<input checked="" type="checkbox"/>

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3F	The Contract Administrator should formalize terms relating to the ownership of work products produced through the Food & Marketing Agreement, including ownership and maintenance of the WestWorld website and social media sites.	June 2018: The WestWorld General Manager indicated contract discussions are in progress. Sept 2018: This is still in progress. June 2019: WestWorld management reported that the contractor intends to retain ownership until the contract ends, so this matter is being further reviewed. Dec 2019: This matter is still pending. May 2020: The new contract approved March 3, 2020, requires the marketing contractor to perform "website maintenance." Concerns regarding ownership of the WestWorld website and social media accounts are not addressed in the new contract.	Not Impl'd	<input checked="" type="checkbox"/>
1807	Scottsdale Arts Contract	Issued:	1/11/2018	
1A	The Contract Administrator should review Scottsdale Arts' use of all purpose-restricted funds at least annually to ensure compliance with the Management Services and Financial Participation Agreements.	June 2018: The Contract Administrator reported that she is working with the City Treasurer's office to review use of all purpose-restricted funds at least annually to ensure compliance with the agreements. The first review will occur in the first quarter of FY 2018/19. Dec 2018: The Contract Administrator met with Scottsdale Arts in December, and biannual meetings will be scheduled with Scottsdale Arts and the City Treasurer to ensure compliance with all purpose-restricted funds. April 2019: The Contract Administrator reported the year-end meeting will be scheduled in June 2019. Sept 2019: The Contract Administrator reviewed Scottsdale Arts' use of purpose-restricted funds. She also reported that meetings with the City Treasurer and the organization will continue after a change in its financial personnel.	Implemented	<input checked="" type="checkbox"/>

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1B	The Contract Administrator should ensure Scottsdale Arts prepares and provides the annual ten-year City Artwork Conservation and Restoration analysis, together with budget estimates for conservation and restoration by December 31 each year. Further, work to ensure that the funding restricted to conservation and restoration is appropriate.	June 2018: As indicated in the report response, Scottsdale Arts provided the annual ten-year conservation and restoration analysis in December 2017. The Contract Administrator indicated the draft Financial Participation Agreement for FY 2018/19, which is still subject to Council approval, includes an increased amount dedicated to conservation and restoration. As well, over the next 4 fiscal years, Scottsdale Arts will be awarding grants totaling \$20,000 more than the annual City allocation to repay the \$79,000 for past underspending on grants. Dec 2018: The Contract Administrator reported that Scottsdale Arts will be instead charging the personnel expenses to Public Art management and administration, thereby increasing the conservation and restoration amount by 22%, from \$98,100 to \$120,000. As well, the amount designated for Public Art management and administration increased by \$27,526 to \$600,000. The Contract Administrator scheduled a meeting in late December to discuss budget estimates for FY 2019/20. April 2019: Auditors reviewed the FY 2019/20 budget estimates for Public Art maintenance, which no longer include personnel expenses and total \$120,160.	Implemented	<input checked="" type="checkbox"/>

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2A	The Contract Administrator should require Scottsdale Arts to submit a financial development plan that includes specific goals for earned and non-City contributed revenues and periodically monitor the organization's plan performance.	<p>June 2018: The Contract Administrator indicated she has discussed with Scottsdale Arts including specific goals for earned and non-City contributed revenues. She anticipates the new Management Services Agreement will have more specific requirements related to revenues. Dec 2018: The Contract Administrator reported that including more specific requirements in the new MSA will be part of a planned March 2019 City Council Work Study discussion, with the MSA perhaps being approved in April. April 2019: Based on City Council direction, the Contract Administrator reported that staff is continuing to discuss this objective and obtain a more detailed plan on how it can be realized prior to presenting the MSA to City Council on June 11. Sept 2019: The Contract Administrator reported that Scottsdale Arts and City staff have agreed to the organization implementing a financial development plan with the goal of increasing outside funding to 67% of total revenue in the unrestricted funds. The updated draft MSA is now expected to be presented to the City Council in December 2019. May 2020: The Contract Administrator anticipates presenting the updated draft MSA to City Council in June. Sept 2020: The Contract Administrator reported that presenting the updated draft MSA to the City Council was rescheduled to an October 2020 meeting. The draft includes a new requirement for Scottsdale Arts to increase non-City funding sources to 67% by the end of the new agreement. Jan 2021: The City Council approved the new agreement on November 10, 2020.</p>	Implemented	<input checked="" type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Contract Administrator should consider making the MSA more specific in requiring Scottsdale Arts to make progress toward financial independence. Alternatives could include stipulations that the amount of funds provided by the City will be dependent on the amount raised from non-City sources or specific performance measure goals.	June 2018: The Contract Administrator indicated she has discussed with Scottsdale Arts making the Management Services Agreement more specific regarding progress toward financial independence and new terms are being proposed. Dec 2018: The new MSA requirements will be discussed at a planned March 2019 City Council work study. April 2019: The Contract Administrator reported that after the March work study, a Council directive was not received to tie funding to specific performance measures or non-City funding, so discussions are continuing with Scottsdale Arts. Sept 2019: The Contract Administrator reported that Scottsdale Arts and City staff have agreed to the organization implementing a financial development plan that increases outside funding. The updated draft MSA is now expected to be presented to City Council in December 2019. May 2020: The Contract Administrator anticipates presenting the updated draft MSA to City Council in June. Sept 2020: The Contract Administrator reported that presentation of the draft MSA was rescheduled to an October meeting. Jan 2021: The City Council approved the new agreement on November 10, 2020.	Implemented	<input checked="" type="checkbox"/>
2C	The Contract Administrator should review administrative cost percentages on a periodic basis to ensure Scottsdale Arts is maximizing use of City funds to provide the desired programs and services.	June 2018: The Contract Administrator indicated she has discussed with Scottsdale Arts adding a review of administrative cost percentages and anticipates this will be included in the new Management Services Agreement. Dec 2018: The Contract Administrator reported draft language has been added to the current draft MSA, which will be discussed at a planned March 2019 City Council work study. April 2019: The Contract Administrator reported administrative cost percentages along with other pertinent financial records will be required on an annual basis as part of the new MSA expected to be finalized and presented to City Council on June 11. Sept 2019: The Contract Administrator reported that this is still in process. May 2020: The Contract Administrator anticipates presenting the updated draft MSA to City Council in June. Sept 2020: The Contract Administrator reported that the draft MSA presentation was rescheduled to an October Council meeting. The draft agreement requires Scottsdale Arts to make an annual comparison of its non-program (administrative) costs to that of similar arts organizations. Jan 2021: The City Council approved the new agreement on November 10, 2020.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2D	The Contract Administrator should require Scottsdale Arts to critically evaluate its performance measures and financial information each year.	<p>June 2018: The Contract Administrator reported that she has discussed with Scottsdale Arts methods for improving the critical evaluation of its performance measurements and financial information. Dec 2018: The Contract Administrator indicated discussions have continued on methods for improving evaluation, with draft language included in the new MSA which will be discussed at a planned March 2019 City Council work study. April 2019: The Contracted Administrator reported that discussions with Scottsdale Arts are continuing to develop specific performance measures to be provided as an MSA addendum. The new MSA is expected to be finalized and presented to City Council on June 11. Sept 2019: The Contract Administrator reported that specific performance measures will be included and presented as an addendum to the draft MSA when it is presented to City Council. This is now expected to occur in December 2019. May 2020: The Contract Administrator anticipates presenting the updated draft MSA to City Council in June. Sept 2020: The Contract Administrator reported that performance measures and financial information were included as an addendum to the June 30, 2020, Council Report on the Financial Participation Agreement. Jan 2021: In addition, the City Council approved the new MSA on November 10, 2020.</p>	Implemented	<input checked="" type="checkbox"/>
2E	The Contract Administrator should encourage Scottsdale Arts to establish artistic partnerships with local performing arts groups and consider establishing requirements for such partnerships in new agreements.	<p>June 2018: The Contract Administrator reported she has encouraged Scottsdale Arts to establish artistic partnerships with local performing arts groups, and they have discussed adding related goals in the new Management Services Agreement. Dec 2018: The Contract Administrator reported that Scottsdale Arts has begun establishing artistic partnerships with local performing arts groups, including having local groups at the Scottsdale Center for the Performing Arts as well as other locations such as Taliesin West. Improved language has been added to the new draft MSA.</p>	Implemented	<input checked="" type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3A	The Contract Administrator should develop a public process for non-profit arts organizations to request awards through the Community Arts Trust using similar City award processes for guidance.	June 2018: The Contract Administrator submitted a request to dedicate part of the Community Arts Trust account revenues to the Loloma School capital improvements, which the City Council approved on June 12, 2018. As well the Contract Administrator will be updating the administrative directive related to Trust expenditures to also require Council approval. Dec 2018: The City Council-approved resolution requires the community arts need portion of fund uses to be Council approved. For a future status update, auditors will review the application and award processes. Sept 2019: The Contract Administrator reiterated that the Council approval process is now in place, but auditors continue to recommend developing a public process for requesting and evaluating proposals for recommendation to City Council. May 2020: The Contract Administrator reported that upper management direction is to continue the approval process as established, which requires Council approval to use the Community Arts Trust Fund.	Part Impl'd	<input checked="" type="checkbox"/>
3B	The Contract Administrator should maintain an inventory of art installed as part of the Art in Public Places and Cultural Improvement Programs in order to verify that Scottsdale Arts is performing its required inspections annually.	June 2018: The Contract Administrator noted there is a City GIS layer identifying the public art locations, but there is some confusion over what qualifies as Art in Public Places and what is part of the Cultural Improvement Program. For clarification, this will be discussed further with Scottsdale Arts and the City's Planning and Development Services department. Dec 2018: The Contract Administrator indicated the Cultural Improvement Fund art installation inventory was received and included in the City's GIS layer. Further, the current year's inventory inspection was submitted.	Implemented	<input checked="" type="checkbox"/>
3C	The Contract Administrator should encourage Scottsdale Arts to provide its calendar of board meeting dates on its website and to continue working to provide advance meeting agendas as close to the Council's 10-day notice policy as possible.	June 2018: The Contract Administrator has requested Scottsdale Arts post its FY 2018/19 Board meeting dates on its website, and the organization responded that it will do so on July 2. Past meeting dates, agendas and minutes are currently available. Dec 2018: Meeting dates are posted on the Scottsdale Arts website for its Board and the Public Arts advisory board meetings. However, marked agendas are not available for recent past meetings and the minutes for one meeting indicates it was held on a different date than the meeting date listing. April 2019: The Contract Administrator has met with Scottsdale Arts to further refine the agenda posting process. Sept 2019: Auditors reviewed the Scottsdale Arts website and observed meeting notices, agendas and minutes.	Implemented	<input checked="" type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1808	Police On-Body Cameras	Issued:	6/14/2018	
1A	The Police Chief should require the OBC Working Group to regularly review user access to ensure that their system access is based on the least privilege principle. Further, access should be immediately removed from users that no longer work in SPD.	Sept 2018: The Technology, Records & Communications Director reported that user access to Evidence.com is now reviewed monthly and permissions adjusted as necessary due to organizational or employment changes. Additionally, a supervisor user access group has been created to simplify managing this access.	Implemented	<input checked="" type="checkbox"/>
1B	The Police Chief should require the OBC Working Group to regularly review the user access to OBC-related network folders to ensure access rights are based on the least privilege principle.	Sept 2018: The Technology, Records & Communications Director reported that user access to network folders is now reviewed monthly and permissions adjusted as necessary due to organizational or employment changes. Additionally, auditors reviewed documentation of folder access changes made.	Implemented	<input checked="" type="checkbox"/>
1C	The Police Chief should require the OBC Working Group to annually review the OBC provider's SOC report to evaluate potential risks to the SPD video files.	Sept 2018: The Technology, Records & Communications Director reported that the vendor's SOC report will be reviewed annually. The next report should be completed in December. Dec 2018: The department reported that this year's SOC report has been requested. May 2019: The department's program manager reported that the SOC report was received and reviewed.	Implemented	<input checked="" type="checkbox"/>
2A	The Police Chief should require the OBC Working Group to review SPD's Evidence.com storage for untagged and uncategorized videos and require supervisors to ensure that officers complete the identification process. Further, the department should add review of the officer's Evidence.com files to its separation procedures.	Sept 2018: The Technology, Records & Communications Director reported that the department will be updating its General Order to require supervisors to review their direct reports' recordings monthly to ensure compliance. This review will be included in the department's existing out-processing procedure. And the department is working on tagging and categorizing the existing videos. Dec 2018: Auditors reviewed the updated G.O. 2114, and supervisory review responsibilities are now outlined as well as those of the OBC program administrators and other review groups. Further, the department has made substantial progress in getting videos categorized and tagged.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Police Chief should require the OBC Working Group to update General Order 2114 to require supervisors to check videos to ensure they do not have evidentiary value and to specify the supervisory level for deletion approval. Also, retain documentation for all manually deleted OBC videos in a shared network folder and establish a retention period for the video deletion documentation.	Sept 2018: The Technology, Records & Communications Director reported that the General Order is being updated to establish the OBC Program Manager's authority for deletions. The Program Manager will ensure the recordings do not have evidentiary value prior to deletions, and documentation will be retained in a shared secured network folder for 2 years. Dec 2018: Auditors reviewed the updated General Order 2114 requirements and evidence that documentation is now being retained in a network folder restricted to the Working Group. The supervisory review requirement is still in development. May 2019: The department's program manager reported that, based on legal advice, video deletion requests citing privacy reasons will not be reviewed. Instead, the officer will be required to complete a questionnaire related to the deletion request, and this documentation will be retained for a 2-year period in accordance with the department's records retention policy.	Implemented	<input checked="" type="checkbox"/>
2C	The Police Chief should require the OBC Working Group to provide supervisors with access to Evidence.com reports so that compliance reviews are more efficient and effective. Also, review Evidence.com logins periodically to ensure supervisors are logging in at least monthly.	Sept 2018: The Technology, Records & Communications Director reported that the department will be meeting with the vendor regarding planned compliance reports. Also, logon activity is now being reviewed routinely. Dec 2018: The department reported that compliance reviews will be an ongoing maintenance project, which will be performed by the OBC Program Manager. March 2019: The department reported that all sworn supervisors are now required to take a computer-based training by May 6 that clarifies the supervisory role and how to use the system. June 2019: To date, about 90% of supervisors have taken the computer-based training. Sept 2019: The OBC Program Manager provided emails documenting that guidance and clarification of supervisory reviews were sent to all lieutenants.	Implemented	<input checked="" type="checkbox"/>
3A	The Police Chief should require the OBC Working Group to develop an overarching policy statement for the OBC program's General Order. Additionally, consider posting a summary of OBC policies on the department's website.	Sept 2018: The Technology, Records & Communications Director reported that, when updated, the General Order will include an overarching policy statement and the policy in its entirety will be posted to the department's website. Dec 2018: The department updated G.O. 2114 to include an overarching policy statement for on-body cameras and is evaluating the cost of making General Orders available on the internet. May 2019: Auditors confirmed that the department has added a summary of the on-body camera policy to its public webpage.	Implemented	<input checked="" type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3B	The Police Chief should require the OBC Working Group to define timeliness requirements for OBC video uploads and tagging and provide supervisors access to reports in Evidence.com to evaluate compliance with program requirements.	Sept 2018: The Technology, Records & Communications Director reported that a timeline (by the end of work week) is being included in the General Order update. Also, a monthly Supervisors report will include untagged/uncategorized videos, overall activity and login frequency. Dec 2018: G.O. 2114 now states that uploading, tagging and categorizing videos is to comply with Field Order 1013 for paperwork submittals. This F.O. states that reports are to be submitted one hour before end of shift to allow supervisory review and describes approval requirements for exceptions. The supervisory review requirements are still in development. March 2019: The G.O. has been revised to require camera docking and video uploading at least weekly, with certain incident types to be uploaded the same day. May 2019: While the department planned to use a vendor-created compliance report to facilitate supervisory reviews, the cost of the new reports is prohibitive. As an alternative, the program manager has created groups consisting of each supervisor's squad to make it easier to run monthly queries for supervisory reviews.	Implemented	<input checked="" type="checkbox"/>
3C	The Police Chief should require the OBC Working Group to consider requiring officers to inform the other person(s) that an OBC is recording.	Sept 2018: The Technology, Records & Communications Director reported that the department will not require it but will augment its training to exercise the practice of informing individuals that an OBC is recording. Dec 2018: The department provided the updated G.O. 2114, which now says that an officer should consider advising citizens they are being recorded if the officer believes it may de-escalate the situation and if doing so will not jeopardize officer safety.	Implemented	<input checked="" type="checkbox"/>
3D	The Police Chief should require the OBC Working Group to develop OBC training for supervisors and include the training requirements in the General Order.	Sept 2018: The Technology, Records & Communications Director reported that additional OBC training will be established to include general oversight, report management, usage activity and compliance review. This training requirement will be added to the updated General Order. Dec 2018: The department created training that was provided to this year's Sergeant candidates and will be provided for all supervisors in 2019 via a computer-based module. G.O. 2114 was updated to note the additional supervisory training.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1809	Development Agreements	Issued:	5/4/2018	
1A	Planning and Development Services department management should develop and implement policies and procedures to more efficiently record and monitor all requirements and deadlines included in development agreements and maintain organized documentation to verify completed requirements.	Sept 2018: The department reported that a development agreement policy is being created to outline the purpose, state statutes, definitions and process. Development Agreements are now their own case type and searchable in CDS. The department also reported that a formal application is now required for DAs, which is processed concurrently with any associated rezoning case to allow information to be readily shared. Feb 2019: Auditors reviewed the department's policies and procedures for recording and monitoring development agreements.	Implemented	<input checked="" type="checkbox"/>
1B	Planning and Development Services department management should work with the City Treasurer's office to establish and maintain a record of development agreement receivables or other financial impact to the City.	Sept 2018: The department indicated it now works with the Treasurer's office, Public Works, and Legal on development agreement terms, establishing accounts for any payments, and reviewing DA case status. Auditors reviewed documentation of one quarterly meeting and other communications as well as a recent DA accounts receivable record.	Implemented	<input checked="" type="checkbox"/>
1C	Planning and Development Services department management should develop written policies and procedures to provide efficient and effective development agreement administration and oversight. This should include (see report for list).	Sept 2018: The department reported that effective 4/23/2018, the new DA case type was created and cases are searchable in CDS. Also, they are searchable on LIS and GIS databases which will track the DA case with any associated zoning case. Submittal Intake instructions guide staff in putting relevant information into CDS. The new DA policy will provide direction that all requirements are coordinated by plan reviewers through the DA review process and final implementation process. Feb 2019: Auditors reviewed the department's policies and procedures for development agreement oversight and monitoring their requirements.	Implemented	<input checked="" type="checkbox"/>
2A	Planning and Development Services department management should define records retention requirements for development agreement-related records.	Sept 2018: Auditor reviewed the department's records retention schedule to confirm that Development Agreements are now included (marked permanent). Further, the records are now included in the digital folder and available through the City website and in the document management program.	Implemented	<input checked="" type="checkbox"/>
2B	Planning and Development Services department management should develop policies and procedures for authorizing access to CDS, including role-based security groups with appropriate functions based on job duties and the "least privilege" principle.	Sept 2018: The department has now developed a four-tier role-based security group system for CDS access.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1902	E-Verify Compliance During FY 2017/18	Issued:	9/12/2018	
1	The Purchasing Department should continue to advise Contract Administrators to emphasize the E-Verify contract requirements to contractors at the start of each contract and that the City audits for compliance with these requirements.	January 2019: Auditors reviewed copies of the new notifications Purchasing is sending to Contract Administrators at the initial contract award and for contract renewals. These notifications advise the Contract Administrator to remind contractors of E-Verification audits, insurance requirements and other contract provisions.	Implemented	<input checked="" type="checkbox"/>
1904	ActiveNet Application Controls	Issued:	5/9/2019	
1A	The Community Services Division should expand the current policies and procedures to require supervisors to justify departures from the matrix and ensure training is provided before account access is authorized. Further, CSTG should document reviews of all user accounts, including generic accounts, and require supervisory approval before reinstating a stale account. As well, the division should develop an ActiveNet remote access policy limiting access to authorized uses.	Oct 2019: Management reported that the Community Services Technology Group (CSTG) has updated the user account permissions matrix and processes for reviewing user accounts, including stale accounts. Still pending is the plan to work with City IT to develop a remote access policy. May 2020: CSTG provided a copy of its remote access policy, which it plans to disseminate to division stakeholders later in the summer. Sept 2020: CSTG now plans to disseminate its updated policy in October. March 2021: The department reported the information has been disseminated; auditors requested documentation. May 2021: The department reported the policy has been submitted for management approval.	In Progress	<input type="checkbox"/>
1B	The Community Services Division should remind department staff to timely notify CSTG to remove ActiveNet access for every employee termination, even those where an employee may potentially return to City employment in the future.	Oct 2019: Management reported that CSTG was not notified for a separation that occurred in May. CSTG has since reminded the division staff and HR to notify them on all Community Services separations. Auditors will review progress on this recommendation for a future update. May 2020: Auditors reviewed the updated procedures, which include immediate notification to CSTG for the division's separations.	Implemented	<input checked="" type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2A	The Community Services Division should work with City IT to develop a formal policy regarding the classification and handling of PII. Any ActiveNet fields containing PII should be identified and training should be provided to staff regarding the handling of customer PII.	Oct 2019: Management reported that CSTG's plans to work with City IT to develop a formal policy regarding classification and handling of PII are still pending. May 2020: After meeting with City IT, CSTG reported it is responsible to identify where PII is in this system. In addition, City IT is formalizing a data governance plan and considering developing PII training. Sept 2020: CSTG reported the status has not changed since May. The group is waiting for City IT to formalize its data governance plan and possible PII training. March 2021: This department did not report an updated status. May 2021: The department reported that data privacy training has been made available for all City employees. The CSTG will work with City IT training to develop a training plan to ensure staff take the training during on-boarding and annually as a review. Also, the ActiveNet fields containing PII will be identified for staff.	In Progress	<input type="checkbox"/>
2B	The Community Services Division should update the Essential Records Listing with ActiveNet information.	Oct 2019: Management reported that CSTG has worked with the Parks and Recreation records manager to update the Essential Records listing and is working with Human Services to update its listing. May 2020: CSTG reported that Essential Records listings have been updated for Human Services. Auditors reviewed the related Records Manager correspondence and listings.	Implemented	<input checked="" type="checkbox"/>
3A	The Community Services Division should regularly request and review contract-required security compliance reports to ensure the vendor is maintaining effective security controls.	Oct 2019: Management reported that the vendor has provided its applicable 2018 report, though it is not yet clear if the vendor will comply with certain security related requirements. Further, CSTG has created a scheduled reminder to request these reports on an ongoing basis. Auditors will review these reports for a future update. May 2020: CSTG provided a copy of one compliance report. Auditors will continue to follow up on the status of others. Sept 2020: CSTG reported that ActiveNet stated it is sending the other report, but it has not been received. March 2021: The department worked to obtain improved information in the vendor-provided assessment.	Implemented	<input checked="" type="checkbox"/>
3B	The Community Services Division should work with Active Network to obtain activity logging reports on a continuous basis and establish a process for monitoring changes and unusual activity.	Oct 2019: Management reported that CSTG has established a process to request and review activity logging reports from the vendor each month. Auditors will review the related documentation for a future update. May 2020: Auditors reviewed the activity reports and related documentation. The logs show no issues found in the reported information.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3C	The Community Services Division should work with Active Network to create a report that will assist the division in verifying compliance with contractual fees.	Oct 2019: Management reported that CSTG has worked with vendor support to identify a report that can be used to verify compliance with contractual fees. The current report has a bug that the vendor is working to resolve. May 2020: The vendor has not yet corrected issues with this report. Sept 2020: CSTG stated the vendor provided an Agency Payment - Split Amounts report to be used to verify contractual fee compliance. However, documentation is not yet available to confirm that the report allows the department to verify fees. March 2021: The vendor is not providing a sufficiently detailed report to facilitate the reconciliation, but department staff has created an analytic report to assist their review.	Implemented	<input checked="" type="checkbox"/>
4A	The Community Services Division should consider enabling system controls requiring supervisor approval of refunds, including setting a minimum refund amount for requiring supervisor approval.	Oct 2019: Management reported that the division has decided to not enable the system controls requiring supervisory approval, including setting a minimum amount for the approval. Instead, the division staff have established a process to train and reinforce supervisory reviews, including the trainer meeting on-site with each supervisor to go over the process and ensure each supervisor submits a workorder to receive the refund report automatically each month. Auditors will review refund documentation for a future update. May 2020: Due to the current pandemic and closed City facilities, the status of this recommendation will be reviewed at a future date. Sept 2020: CSTG reported facilitating a refund review training in August and supervisors have submitted work orders to schedule their refund review automated reports.	Part Impl'd	<input checked="" type="checkbox"/>
4B	The Community Services Division should formalize incident response plans.	Oct 2019: Auditors reviewed CSTG's written incident response plan.	Implemented	<input checked="" type="checkbox"/>
4C	The Community Services Division should work with City IT to explore technical solutions for data loss prevention.	Oct 2019: Management reported that CSTG's plan to work with City IT to explore technical solutions for data loss prevention is still in process. May 2020: CSTG reported consulting with City IT regarding this recommendation, and City IT will evaluate it.	Part Impl'd	<input checked="" type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1905	Infrastructure Condition Assessment	Issued:	6/14/2019	
1A	The Public Works Division Director should require policies and procedures be developed and implemented to ensure that the City's bridge conditions are assessed and the bridges maintained. Specifically, these policies and procedures should require staff to create work orders for the ADOT inspection recommendations, then prioritize and complete the work orders timely.	Oct 2019: Division management reported that the City Engineer and Street Operations staff reviewed the 2018 ADOT inspection reports and assigned recommended maintenance or repair items to the appropriate staff. Auditors reviewed the report binders in which the City Engineer flagged projects to indicate items that should be evaluated by CPM, such as being evaluated for a capital project, or should be addressed by Street Operations. The Street Operations staff plans to enter the applicable pending work into their work order system although this has not yet been completed. Auditors also reviewed a tracking spreadsheet that Street Operations created from the ADOT bridge inventory to note which department is responsible for any needed repairs and to track completion. Specific policies and procedures, such as how to document, prioritize and monitor the work, have not yet been developed. May 2020: The department reported that a new update policy has been created outlining the progression of review for ADOT findings. Auditors will review the policies and procedures for a future update. Sept 2020: The department established basic procedures for reviewing the ADOT inspections and working with the City Engineer to prioritize them. However, policies and procedures still do not address timely completion of the work. The department currently reports having entered work orders for about half the 2018 inspections and was not actively monitoring their completion. As well, it has not yet reviewed ADOT's 2019 or 2020 inspection reports. March 2021: The department director is following up on the status of the more recent inspection reports.	In Progress	<input type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1B	The Public Works Division Director should require policies and procedures be developed and implemented to ensure that the City's bridge conditions are assessed and the bridges maintained. Specifically, these policies and procedures should require staff to report bridge construction and rehabilitation projects to ADOT in accordance with the bridge inspection program requirements and review ADOT's City of Scottsdale bridge inventory to properly identify any privately-owned bridges on the list.	Oct 2019: Division management reported that the City Engineer communicated with ADOT to determine the process for reporting bridges to be added to NBIS, and CPM is in the process of adding the new 68th St and Pima Rd bridges. CPM staff developed and provided a list of bridges completed within the last 10 years, but Street Operations staff explained they did not realize they were to be comparing this list to the ADOT inventory to determine what needs to be reported. This comparison has not yet been completed. Policies and procedures have not yet been developed to formalize the bridge inventory processes. May 2020: The department reported that the City Engineer has coordinated with ADOT to determine requirements and the process for adding bridges to the NBIS inventory. They have submitted some bridges to ADOT for addition and are adding the NBIS inventory to an LIS layer to simplify the comparison to CPM's bridge information. Sept 2020: The department reported a delay in developing the LIS layer due to a software environment transition. The web map is expected to be completed in October to facilitate a full comparison to ADOT's bridge inventory. March 2021: The updated procedure does not clearly assign responsibilities to responsible units or positions, and details of the review for privately-owned structures on the City's inventory were not yet provided.	In Progress	<input type="checkbox"/>
1C	The Public Works Division Director should require policies and procedures be developed and implemented to ensure that the City's bridge conditions are assessed and the bridges maintained. Specifically, these policies and procedures should require staff to inventory Scottsdale's non-NBIS bridge structures and establish a program for regularly inspecting, maintaining and repairing them.	Oct 2019: Division management reported that Street Operations is currently determining if there are structures not in the NBIS database and determining whether these should be added or tracked separately. However, Street Operations staff was not aware of this responsibility and had not yet started identifying non-NBIS structures. Auditors explained available resources that may be helpful in performing this task. May 2020: The department reported they are working to add the NBIS inventory to an LIS layer to simplify the comparison to CPM's bridge information. Once this is done, all structures that meet the requirements will be submitted to ADOT for inclusion in the NBIS inventory and inspections, maintenance and repairs will be reported as required. Sept 2020: The LIS layer project is still underway for comparison to the ADOT bridge inventory. The department does not currently have a plan for inspecting non-NBIS bridges. March 2021: The department has not yet provided further details on the status of this recommended improvement.	In Progress	<input type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2A	The Public Works Division Director should require staff to reassess the parking garage assessment program to evaluate the five-year inspection goal based on current observed conditions. Also, require staff to create, prioritize and timely complete work orders for the parking garage structural assessment recommendations.	Oct 2019: Division management reported that the Facilities Director is assessing the current garage assessment program to validate the interval and that, for assessments completed to date, repairs have been identified and funded or are pending future budget approvals. The Facilities director reported she still considers the current 5-year goal and assessment schedule feasible. Facilities also noted that 3 assessed parking garages are budgeted to be repaired this fiscal year, beginning around January 2020. May 2020: The department reported that structural assessments are scheduled on a 5-year cycle, and two assessments were completed this fiscal year as scheduled. Repairs to one garage are in progress, but another has been deferred to FY 2020/21. Auditors will review supporting documentation for a future update. Sept 2020: The current Facilities Management director was not familiar with this pending issue but will review it. March 2021: The department has scheduled assessments to meet the goal of 5-year reviews. In addition, garage repair work orders have been created, such as pending work for the One Civic Center garage.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Public Works Division Director should require staff to ensure that the City's drainage assets are properly inspected and maintained. In particular, require staff to create, prioritize and timely complete maintenance work orders for concerns identified by ADOT inspection reports.	Oct 2019: Division management reported that for the short term, Street Operations will coordinate with the Parks & Recreation department for help with drainage assets within the parks and for the longer term, Street Operations will seek funding for an added position. Auditors explained to Street Operations staff the need to monitor actual inspection progress against the goal and that combining the related structural assets recorded in the database into structures may simplify monitoring, avoid input errors and improve inspection data quality. May 2020: The department reported that it was not able to add additional staffing through FY 2020/21, so Parks staff is assisting with maintenance while Transportation & Streets is doing the inspections. Further, the department reported 50% completion of the recommended repairs from the latest ADOT inspection as of 5/1/2020. Auditors will review supporting documentation for a future update. Sept 2020: No changes have yet been made to the drainage inspection process. As well, reports were not available to confirm management's reported 50% completion status on ADOT maintenance recommendations. Instead, department staff indicated about half of ADOT's 2018 recommended maintenance has been entered into the work order system, but they have not been monitoring the work order completion status. March 2021: The department requested 2 additional employees for drainage inspection, but did not yet evaluate whether inspection targets could, instead, be prioritized based on criticality.	In Progress	<input type="checkbox"/>
2C	The Public Works Division Director should require staff to complete the streetlight inventory reconciliation and the sidewalk inventory and establish appropriate condition assessment and maintenance programs. As well, require staff to establish an appropriate parking lot condition assessment and maintenance program.	Oct 2019: Division management reported that Street Operations is working with utility providers to validate streetlight inventories and is developing a budget request to get resources to assess alleys and parking lots and develop a 5-year investment plan. May 2020: Division management reported that the department is continuing to make progress on the streetlight inventory. Resources were not funded for a system-wide sidewalk inventory and parking lot assessments in FY 2020/21, so the department's current focus is known sidewalk and concrete repair needs.	Part Impl'd	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1906	Cash Handling Controls and Accountability	Issued:	3/7/2019	
1	Department management should work with the City Treasurer's Office to ensure appropriate oversight and compliance with AR 268 Cash Handling, including daily cash balancing, segregation of duties and supervisory approval for refund transactions.	June 2019: Auditors reviewed the departments' progress in improving internal controls and timeliness of cash balancing as recommended. One department has fully implemented the recommendations, while the other two departments have additional changes to implement. Oct 2019: One of the two remaining departments implemented the recommendations. For the other location, auditors will continue to review timeliness of supervisory review of refund transactions. March 2021: These locations will be included in future cash handling audits. May 2021: The City Treasurer's office determined the City's general PayPal account was no longer needed and it has been closed.	In Progress	<input checked="" type="checkbox"/>
2A	Department management should require compliance with AR 268 Cash Handling. Specifically, require supervisors to ensure cash handlers adjust shift duties to perform cash balancing in dual custody with both staff present signing the cash count documents.	June 2019: Auditors reviewed the department's current internal control processes for these two locations. The locations have additional changes to put in place. Oct 2019: Based on auditor review, the department continues to work on implementing the recommended control improvements. March 2021: While some progress has been made, this department's cash handling locations will be included in future cash handling audits.	In Progress	<input checked="" type="checkbox"/>
2B	Department management should require compliance with AR 268 Cash Handling. Specifically, require supervisors to ensure cash handlers immediately record transactions in the POS system if operationally feasible. If not operationally feasible, management should work with the Accounting Department to develop compensating controls and then request an exception to the specific AR 268 Cash Handling requirements. Additionally, supervisors should ensure wristband or similar items are prenumbered for comparison to sales, deposits and remaining wristband inventory on hand.	June 2019: Auditors confirmed the wristbands for this upcoming event are prenumbered. Additional controls and records will be reviewed after the event. Oct 2019: Auditors reviewed the special event's cash balancing documents and noted that entries appeared to be individual transactions directly into the POS system. The wristband reconciliation will be reviewed for a future update. March 2021: This event's cash handling will be reviewed for a future if the event is reinstituted.	In Progress	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2C	Department management should require compliance with AR 268 Cash Handling. Specifically, require supervisors to ensure only appropriately trained staff perform cash handling functions, and POS system cashiering access is removed for locations that do not have trained staff. If these locations continue to perform cashiering, ensure they understand AR 268 responsibilities, particularly ensuring documentation, daily cash balancing and proper security for sensitive financial information.	June 2019: Auditors reviewed calendar year 2019 transactions and the non-cash handling locations had not entered receipts. However, system access has not yet been removed for the staff at these locations. Oct 2019: Auditors reviewed user access for these locations with the Community Services Technology Group and one of the location supervisors; access appears appropriate at this time.	Implemented	<input checked="" type="checkbox"/>
2D	Department management should require compliance with AR 268 Cash Handling. Specifically, require supervisors to ensure proper segregation of duties for receiving, reconciling and depositing cash transactions.	June 2019: Auditors reviewed May 2019 transactions for this location and found proper separation of cash handling duties is not yet consistently enforced. Oct 2019: Auditors reviewed October 2019 transactions for this location and again found that proper separation of cash handling duties is not yet consistently enforced. March 2021: This location has not implemented proper separation of cash handling and accounts receivable duties and will be included in a future cash handling audit.	In Progress	<input checked="" type="checkbox"/>
2E	Department management should require compliance with AR 268 Cash Handling. Specifically, require supervisors to ensure use of a reservation system to manage these facility reservations.	June 2019: The department reported that the location is researching facility management software for a system that can meet its needs and budgetary constraints. March 2021: This location has purchased venue management software and three of its staff have completed cash handling training as it begins to process rental agreements again. The other staff's training is in process.	Implemented	<input checked="" type="checkbox"/>
1907	Police Special Revenues	Issued:	1/16/2020	
1A	The City Manager should determine if the department's RICO community grant program should continue. If it does, the department should ensure appropriate grant application, review and award processes, grant agreements and service monitoring occur. Additionally, the department should ensure all travel is job-related and has a clear benefit to the City.	May 2020: The department reported that RICO community grant funding is not available for FY 2020/21. As funds come available, processes to include application, grant agreements and monitoring will be reinstated. The department also stated that travel requests are routed through the chain of command. Jan 2021: Auditors reviewed the advance travel and training request forms to verify chain-of-command approvals prior to the budget manager's approval of the post travel expenses.	Implemented	<input checked="" type="checkbox"/>
1B	The department should ensure the City Manager and/or Budget staff receive the total available RICO balance information, with updates throughout the budgeting process.	May 2020: The department provided a copy of the report submitted to the City Manager in January 2020. Auditors verified that the applicable accounts were included.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1C	The department should request buy funds as needed and determine an appropriate balance for the Special Enforcement checking account.	May 2020: The department revised its applicable policy in January 2020 to state a maximum authorized balance for the account. Auditors verified the February 2020 account balance was within this limit.	Implemented	<input checked="" type="checkbox"/>
1D	The department should ensure separation of duties by directing receivables to the City's Remittance Processing group and enable an effective supervisory review of the asset forfeiture program by routing the bank statements to the unit Commander.	May 2020: The department reported that reimbursement checks have been redirected to Remittance Processing, and the Commander now also receives copies of the bank statements for review. Auditors will review supporting documentation for a future update. Sept 2020: Auditors reviewed the July 2020 RICO reimbursement request and confirmed the Remittance Processing address is listed for payment.	Implemented	<input checked="" type="checkbox"/>
1E	The department should require staff to change the safe combination after Special Investigative unit personnel or supervisory changes.	May 2020: The department reported that its policy has been updated as of January 2020 to include the process of changing the safe combination after personnel or supervisory changes. Auditors will review the policy for a future update. Jan 2021: Auditors reviewed a copy of the operation order and an email confirming one safe combination change.	Implemented	<input checked="" type="checkbox"/>
2A	Police Department management should establish the Scottsdale Police Cadet program as a separate program in the Special Programs Fund and deposit the account moneys into the City treasury to ensure appropriate oversight, transparency and accountability. In addition, Police Department management should ensure this program is budgeted as part of the City's annual budget process.	May 2020: The department reported that a separate Special Programs Fund center will be set up to record program related activity. Once the program competition fee has been Council approved, funds will be moved from the outside account and deposited into the new center. This is expected to occur in July 2020. Sept 2020: The City Treasurer's Office has not yet created a center for the Cadet program. As well, monies continue to be held in an account outside the City treasury and the program fees and budget have not yet been required as part of the City's budget processes. Jan 2021: Auditors reviewed the new Cadet program center that has been established and confirmed the bank account balance was transferred to the City on December 29, 2020. As well, the department obtained Council approval to establish its program competition fees.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	Police Department management should establish strong cash handling and expenditure controls over the program and ensure compliance with applicable City administrative regulations. Further, retain appropriate receipt and expenditure records for the program.	May 2020: The department reported that cash handling and expenditure controls were strengthened by adding a two-person verification and approval. As well, the cash box has been secured, and a sergeant reviews and signs the bank statements monthly. Auditors will review documentation for a future update. Jan 2021: Due to the pandemic, the 2020 competition was delayed. As of December 29, 2020, the bank account has been closed and moneys deposited in the City treasury. The program will now be following the City's policies and procedures for cash handling, expenditures, and records retention.	Implemented	<input checked="" type="checkbox"/>
3A	Police Department management should consider developing transparent, public procedures for donations and make information available to Scottsdale citizens, organizations and other current and potential donors.	May 2020: The department reported that a policy memo now directs donations to be made to the department's Budget Office. For a future update, auditors will confirm whether the memorandum has been signed and distributed. Sept 2020: Auditors reviewed the email distributing the policy memo to all department staff.	Implemented	<input checked="" type="checkbox"/>
3B	Police Department management should ensure that acknowledgment letters are prepared, signed and provided to donors for all donations received. Copies of the signed acknowledgment letter (donation receipt) should be maintained in accordance with the City's records retention schedule. In addition, require donations be centrally managed through the Police Budget office.	May 2020: The department reported that its policy is now to centralize donations through the department's Budget Office and to retain a signed copy of the acknowledgment letters in accordance with the City's records retention schedule. Auditors will review supporting documentation for a future update. Sept 2020: Auditors reviewed copies of signed donation acknowledgement letters dated from March 16 through August 12, 2020.	Implemented	<input checked="" type="checkbox"/>
3C	Police Department management should require Police Department staff to either redact sensitive information contained on checks maintained in paper or electronic files or refrain from retaining check copies.	May 2020: The department reported that its processes now include ensuring sensitive information is redacted prior to placing copies in files. Auditors will review supporting documentation for a future update. Sept 2020: The Budget Manager stated she no longer retains check copies. The account number was redacted from the one check copy retained with the donation acknowledgement letters.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
4A	<p>Police Department management should ensure the Police Department 30-Day Tow program complies with AR 268 Cash Handling and implements strong cash handling-related controls, including:</p> <ul style="list-style-type: none"> • Requiring each cash handler to immediately enter his or her own transactions in iNovah. • Limiting use of manual receipts and ensuring the City's copies are retained in the receipt book. Further, ensure manual receipts are used in numerical order and accounted for each day, with a written explanation and supervisory approval for any voided or missing receipts. • Developing site-specific cash handling procedures. • Securing the locking cash drawer key. 	<p>May 2020: The department reported that the program employees have been trained to comply with the cash handling AR. In March 2020, site-specific procedures were developed and added to the program's operations manual. Each employee is entering his/her own transactions and documenting explanations when manual receipts are used out of order. Further, the cash drawer key has been secured. Auditors reviewed the site-specific cash handling procedures and will review cash handling operations for a future update. Sept 2020: During an unannounced check, auditors reviewed the month's transactions, which showed transactions were being entered throughout the day. Each day's transactions showed only one cash handler; with the current pandemic, only one Police Aide works in the office at a time. The manual receipts were secured in the safe and were intact. However, they are not being accounted for daily. The key was secured. Two staff were not notified of their cash handling training refreshers, but will complete the training on the following workday.</p>	Implemented	<input checked="" type="checkbox"/>
4B	<p>Police Department management should consider alternatives for increasing the 30-Day Tow program's availability for impounded vehicle retrievals.</p>	<p>May 2020: The department reported that, based on evaluation of its current staffing model, increasing availability would require additional staff. However, additional program staffing was not approved in the FY 2020/21 proposed budget. Auditors will review the department's evaluation for a future update. Jan 2021: Auditors reviewed the department's analysis which showed Friday had been one of the busiest service days before changing to a Monday through Thursday schedule. Although the program has continued its 4-day per week schedule, program staff state that a cross-trained staff is available to service walk-in emergencies on Fridays.</p>	Part Impl'd	<input checked="" type="checkbox"/>
4C	<p>Police Department management should require invoices and travel requests to be signed by appropriate operational supervisors prior to approval for payment.</p>	<p>May 2020: The department reported that Budget staff consults with the operational supervisors prior to approving expenses. The date and supervisor providing verification are now being noted on the invoices. Auditors will review supporting documentation for a future update. Sept 2020: For 7 reviewed transactions, auditors noted the operational staff were signing off on the expenses. One transaction signed off by the Budget Manager also noted the operational supervisor providing approval.</p>	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1908	Fire & Life Safety Inspections	Issued:	11/2/2018	
1A	The Fire Chief should direct the Fire & Life Safety division to evaluate inspectors' schedules to find efficiencies to ensure that the higher-risk target sites receive annual inspections.	April 2019: Management reported that the department is revising the Target list, with three classifications vetted and two remaining. The next step will be to schedule dedicated inspector time to these inspections and assess whether the annual inspection goal is realistic. The initial completion date of 7/1/19 is still considered feasible. Sept 2019: Management provided the department's definition of Target occupancies and reported they have completed a significant amount of database clean-up and will continue cleaning the data set and ensuring it is accurate. By limiting the Target locations based on risk, management has determined there is now time for inspectors to reach each Target site annually.	Implemented	<input checked="" type="checkbox"/>
1B	The Fire Chief should direct the Fire & Life Safety division to determine if performing safety inspections every three years is a realistic department goal. If the department goal is retained, evaluate schedules and find efficiencies to work toward accomplishing the goal.	April 2019: Management reported that the department's new tablet-based process for engine company safety inspections directly feeds into the records management system. When the department has a good data set of completion statistics, the three-year goal will be reassessed. The initial completion date of 7/1/19 is still considered feasible. Sept 2019: Management reported that, after review, they have determined the timeframes to be achievable based on the inspections and time required. They are monitoring how the new system supports the goals and will be evaluating progress and refining the goal as needed,	Implemented	<input checked="" type="checkbox"/>
2A	The Fire Chief should require the Fire & Life Safety division to develop an accurate and complete database by comparing the sites list to other City systems such as the LIS and conducting a current fire risk assessment to properly identify target properties.	April 2019: Management reported that the department is in the process of cleaning up the records management database, including target site classifications and duplicate sites. Their comparison to other City systems found no direct correlation, however, they do use those systems to ensure accuracy. The initial completion date of 7/1/19 is still considered feasible. Sept 2019: Management reported they established the Target definition, and they are updating records as inspectors identify duplicate information during inspections. Further, working to ensure accuracy of the records will be an ongoing process.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Fire Chief should require the Fire & Life Safety division to establish a recurring review procedure to verify that all fire inspections have been entered in FPS.	April 2019: Management reported that it was emphasized to staff that uncompleted activities should be cleaned up on a regular basis to ensure completeness of the records. The department has assigned a recurring calendar appointment to assist in tracking this. Auditors viewed the reminder appointment and confirmed that the uncompleted activity queue contains far fewer items now, with most related to ongoing safety inspections.	Implemented	<input checked="" type="checkbox"/>
2C	The Fire Chief should require the Fire & Life Safety division to establish a review procedure to verify that FPS reports include relevant inspection information.	April 2019: Management reported that a review procedure will be added as part of the policy/guideline revisions. The initial completion date of 7/1/2019 is still considered feasible. Sept 2019: Management reported working with information technology staff to require inspectors to input certain information based on inspection results. Examples provided included requiring comments on an inspection marked as Approved with Comments; requiring comments or corrections for an inspection marked as Rejected; and requiring an outcome before a record can be closed.	Implemented	<input checked="" type="checkbox"/>
2D	The Fire Chief should require the Fire & Life Safety division to require the new contracted system to record all submitted third-party fire safety inspections, not just those with identified issues, so that the division has a complete record of fire safety inspections performed in the City.	April 2019: Management reported that the new contracted system should meet the audit recommendation. Auditors viewed the new system, including how the department is able to accept or reject inspection reports received (depending on whether Scottsdale is the appropriate jurisdiction) and monitor inspection reports received and those still due.	Implemented	<input checked="" type="checkbox"/>
2E	The Fire Chief should require the Fire & Life Safety division to create policies and procedures to ensure that re-inspections occur within a specified time period based on the type of site and violation.	April 2019: Management reported that the department will implement a more formalized reinspection procedure as part of the policy/guideline revisions. Often the reinspection timelines are dictated by the type of inspection and infractions encountered. The initial completion date of 7/1/2019 is still considered feasible. Sept 2019: Auditors reviewed the Informational Directive that management has established addressing reinspection timelines and requirements.	Implemented	<input checked="" type="checkbox"/>
2F	The Fire Chief should require the Fire & Life Safety division to reevaluate the effectiveness of performance metrics being tracked and reported in the Budget Book. The fire plan review and fire inspection metrics should be presented separately and include context, such as percentage of required target inspections completed.	April 2019: Management reported the department is working with the budget analyst to look at opportunities for improvement if appropriate. The initial completion date of 7/1/2019 is still considered feasible. Sept 2019: Management has developed performance goal language for the next budget cycle (for the FY 2020/21 Budget Book) to separate plan review and inspection metrics.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3A	The Fire Chief should require the Fire & Life Safety division to ensure system access is provided in accordance with the least privilege principle and adjusted as duties change and require a Fire Prevention System access review at least annually.	April 2019: Management reported that the department has reviewed all current users for the appropriate level, and they will continue to monitor access levels consistent with the least privilege principle. Auditors will review access documentation for the next update. Sept 2019: Management reported implementing quarterly access reviews with changes as necessary. Auditors reviewed documentation of access changes made.	Implemented	<input checked="" type="checkbox"/>
3B	The Fire Chief should require the Fire & Life Safety division to ensure refunds are documented in compliance with AR 268, including written customer requests and management review.	April 2019: Management reported that the department has reviewed its practices with Accounting and implemented steps to ensure compliance with AR 268. Auditors will review refund documentation for the next update. Sept 2019: Auditors reviewed documentation of Accounting's approval of the revised refund practices.	Implemented	<input checked="" type="checkbox"/>
3C	The Fire Chief should require the Fire & Life Safety division to ensure that the 60-day notice period is met and Council approval is obtained before requiring fees for inspection report submittals.	April 2019: Management reported that the required notice of the proposed fee was posted and the fee received Council approval. Auditors confirmed the notice was posted in November 2018 and Council approval occurred on January 8, 2019.	Implemented	<input checked="" type="checkbox"/>
1909	Southwest Gas Franchise Agreement	Issued:	9/14/2018	
1A	The Public Works staff should work with the City Attorney's Office to evaluate whether these revenues are included under the franchise agreement terms. As applicable, seek recovery from Southwest Gas for any unpaid franchise-related fees plus the associated late payment interest charges.	January 2019: Public Works sent a letter to Southwest Gas on November 30, 2018, requesting payment of past franchise related fees and supporting documentation. A response has not yet been received. April 2019: Following a meeting to discuss this matter, Public Works sent a letter to Southwest Gas stating the City has determined, based on language in the utility's Corporation Commission filings, it will accept franchise fee payments on gross revenues excluding ancillary revenues.	Implemented	<input checked="" type="checkbox"/>
1B	The Public Works staff should work with the City Attorney's Office to require Southwest Gas to provide accurate and complete supporting documentation, including support for any excluded customer revenues generated within Scottsdale boundaries.	January 2019: Public Works sent a letter to Southwest Gas on November 30, 2018, requesting payment of past franchise related fees and supporting documentation. A response has not yet been received. April 2019: Following a meeting to discuss the issues, Public Works sent a letter to Southwest Gas requesting documentation that all accounts designated as tax exempt or excluded are now paying the applicable Franchise fee and Capital Expenditures fee. Southwest Gas responded that the applicable accounts are currently being adjusted to pay the fees and documentation will be provided.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2	The Public Works staff should require Southwest Gas to periodically submit the service address jurisdiction coding of selected address areas for verification.	January 2019: Public Works plans to send a request by January 31 for calendar 2018 data for an initial check on service address jurisdiction. April 2019: Following a meeting to discuss the issues, Public Works sent a letter to Southwest Gas requesting documentation that all customer accounts identified as having incorrect jurisdiction codes have been corrected and to work with the Real Estate department to allow biannual reviews of accounts within the three zip codes. Southwest Gas responded that the jurisdiction codes are being corrected and the company will work with Real Estate for the requested biannual reviews.	Implemented	<input checked="" type="checkbox"/>
3	None (informational).		Not Applicable	<input checked="" type="checkbox"/>
1910	Utility Billing	Issued:	1/17/2019	
1A	Business Services management should ensure Utility Billing develops a formal quality control review process to help identify entries with incorrect amounts, calculation errors, or insufficient documentation. Also, the department should consider developing an automated method to upload UB Communicator bill requests into NorthStar.	April 2019: Business Services management worked with NorthStar support to create a report of account adjustments and created an internal policy for supervisory review and documentation.	Implemented	<input checked="" type="checkbox"/>
1B	Business Services management should ensure Utility Billing improves its NorthStar reconciliation process to include all related general ledger accounts.	April 2019: Business Services management worked with NorthStar support to update and implement the automated reconciliation report to include all related accounts.	Implemented	<input checked="" type="checkbox"/>
2	Utility Billing should take reasonable steps to verify that the rates provided by the Solid Waste and Water departments agree to the rates authorized by the City Council or approved by the department director. For ongoing special rates, Utility Billing should question why the rates have not been submitted for Council approval.	April 2019: Business Services plans to review the council-approved rates and work with the departments to verify those provided for NorthStar entry. Sept 2019: After Council approval of rate adjustments, the Solid Waste and Water departments completed system rate change forms for Utility Billing support to enter. The departments also verified and signed off on the completed rate changes prior to their billing effective dates. As well, the Business Services Director reviewed the rate change documentation, including department signoffs. Auditors reviewed documentation showing that these processes were applied.	Implemented	<input checked="" type="checkbox"/>
3	Utility Billing should not provide system access for employees with incompatible duties to enter account adjustments or should ensure management review of those entries.	April 2019: Business Services reported that employees are provided appropriate system access and the account adjustment report implemented in February 2019 is being monitored.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1911	Revenue Recovery	Issued:	9/3/2019	
1A	Business Services department management should require Revenue Recovery to develop and use aging reports to effectively prioritize utility collection activities. This should include using the aging reports to: 1. Ensure that delinquent utility accounts are contacted timely and verify that service disconnections occur consistently for delinquent accounts unless exceptions are documented and approved. 2. Ensure that appropriate collection efforts have occurred on overdue utility accounts before approving account balance write-offs. 3. Evaluate whether the collection agency referral processes and the agency's collection efforts are effective. Also, evaluate whether the collection agency contract should be competitively bid and whether to require customers to pay the collection agency fee.	March 2020: Management reported that Revenue Recovery has partnered with the technology support team to develop aging reports that provide additional visibility to aged and high dollar balance accounts to allow for better prioritization. Auditors will review progress of this initiative for a future update. Sept 2020: Auditors reviewed the updated aging reports, which are now aligned with each other and consistent with other departmental reports. While the department is currently not shutting off accounts due to the pandemic, they are monitoring balances and using the reports for Scottsdale CARES funding purposes. The department issued an RFP for the collections contract, but only received one response. However, the current Revenue Recovery manager has worked with the company to receive better reports and services. Also, the collection fee is now paid by the customer rather than the City.	Implemented	<input checked="" type="checkbox"/>
1B	Business Services department management should require Revenue Recovery to develop and use aging reports to effectively prioritize tax and license collection activities. This should include using the aging reports to: 1. Identify delinquent tax and license accounts that would most benefit from Revenue Recovery's collection efforts. 2. <input type="checkbox"/> Ensure that appropriate collection efforts occur for delinquent tax and license accounts based on age, amount due and other relevant criteria. 3. Write off uncollectible tax and license accounts in accordance with Accounting department criteria, including providing written justification for those not being written off.	March 2020: Management reported that the current focus is on completing implementation of a new permit and license system. Then Revenue Recovery will work with technology support staff to build a qualified aging report system in the new system. Meanwhile Revenue Collectors are focusing on active accounts that present a greater opportunity for collection, including referring them for collection. Auditors will review progress of these initiatives for a future update. Sept 2020: The department reported that staff is training on use of the new permit and license system, which they hope to fully implement during this month. In the meantime, staff continue to focus on active accounts that present a greater opportunity for collections. March 2021: The department reported that the Revenue Recovery team is working with the IT team to develop reports in the new system that will assist in identification and prioritization of delinquent accounts, as well as developing collection notices and other collection tools.	In Progress	<input type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1C	Business Services department management should monitor collection activity and recovery of other departments' referred delinquent accounts. Specifically, require Revenue Recovery to develop written workflows for collecting these accounts, including preparing an aging analysis to focus its efforts and developing written guidance on appropriate collection activity based on age, amount due, and other relevant criteria.	March 2020: Management reported that Revenue Recovery created a written policy outlining collection steps to be used for referrals from other departments. As collection guidance based on age, amount due or other relevant criteria is still limited, auditors will review progress for a future update. Sept 2020: Auditors reviewed the workflows and policies and procedures, which the department indicated were used for the FY 2019/20 write-off process.	Implemented	<input checked="" type="checkbox"/>
1D	Business Services department management should ensure Revenue Recovery develops and implements written policies, procedures and workflows with comprehensive guidance and directions to effectively carry out its responsibilities.	March 2020: Management reported that updating procedural documents is an ongoing priority. Auditors will review progress for a future update. Sept 2020: Auditors reviewed the updated policies and procedures and additional workflow guidance provided by the new Revenue Recovery manager.	Implemented	<input checked="" type="checkbox"/>
1E	Business Services department management should evaluate using the state's debt set-off program as part of its collection efforts.	March 2020: Management reported that Revenue Recovery confirmed the state debt set-off program is available to governmental entities and will consider account referrals to this program. Sept 2020: The new Revenue Recovery manager reported he is looking into how the state debt set-off program can be used and referral will be considered for the City's delinquent accounts. Due to the COVID pandemic, there has been little recent interaction with the state Department of Revenue. March 2021: The department reported staff is working to purchase skip-tracing tools that will allow effective use of the state Department of Revenue Debt Offset program.	In Progress	<input type="checkbox"/>
2A	Business Services department management should develop transparent, public procedures for site visits and make that information available on the City's website. Further, Business Services department management should not allow employees to accept cash or cash equivalent payments when working outside of the office.	March 2020: Auditors reviewed Revenue Recovery's added website information regarding site visits. However, management has not yet restricted collectors from accepting payments during site visits. Sept 2020: The new Revenue Recovery manager reported that collectors have been directed to no longer accept payments in the field, and the department no longer has an Accounting exception to accept payments in the field. Auditors reviewed the new site visit procedure developed for staff; however, site visits are not currently occurring.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	Business Services department management should develop measurements and reports that track actual collections resulting from revenue collector activity and develop individual performance goals related to revenue collection and communication with delinquent accounts.	March 2020: Management reported that Revenue Recovery is building reporting capabilities. Auditors reviewed the department's ADOR reports showing comparative collection activity through the state system, but Revenue Recovery has not yet developed in-house collection performance reports. Auditors will review progress for a future update. Sept 2020: Management reported the revenue collection reports will be reviewed to monitor results. Currently, due to the pandemic, ADOR is not allowing city collectors onsite. March 2021: Management reported that revenue collection reports are reviewed monthly. Based on auditor review of recent reports, during FY 2018/19, the department was collecting less than \$1,000 per month, on average, through the state Department of Revenue for delinquent TPT. During the most recent available 12 months, the department is now averaging about \$50,000 per month. As well, a department report also more effectively summarizes utility billing delinquent account collection activity.	Implemented	<input checked="" type="checkbox"/>
2C	Business Services department management should require revenue collector activity logs to be complete and detailed. Further, evaluate use of the City's time management system to replace the spreadsheet logs.	March 2020: Management reported that activity logs have been developed by the technology support staff. Auditors reviewed the logs and found some inaccuracies, such as one collector recording 28 to 39 hours of activities per day. Auditors will review progress for a future update. Sept 2020: The new Revenue Recovery manager provided the updated activity logs currently being used. Also, they plan to continue to refine the logs and to look for an integrated time management system.	Implemented	<input checked="" type="checkbox"/>
2D	Business Services department management should evaluate the value of Revenue Recovery staff joining a collections-related professional organization for development and training.	March 2020: Management reported sending a survey of revenue collection questions to one association and being part of two groups (a customer service group and the state tax collections initiative) with which they were previously associated during the audit. Auditors will review progress for a future update. Sept 2020: Management reported that the current Revenue Recovery manager has also worked with other city collection departments around the Valley to create a group to work on development and training. They are currently meeting virtually but will be meeting in person when it is again safe to do so.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1912	Fleet Parts Operation	Issued:	4/26/2019	
1A	The Fleet Management Director should ensure the Equipment Parts Supervisor reviews all inventory discrepancies before adjustments are made and Parts staff retain all inventory count records. In addition, require Parts staff to properly dispose of obsolete parts and re-evaluate which parts need to be tracked in inventory considering their unit value.	Sept 2019: Management reported this is in progress. Auditors will review related documentation for a future update. Sept 2020: Management reported that all inventory adjustments are now verified by a Parts coworker, then by the Parts Supervisor or the senior staff in-charge if he is not available. An employee has been recently been assigned to review obsolete parts and return any that the vendors will accept or surplus them for auction through the City warehouse. This project is expected to take about 6 months to complete. Jan 2021: The department reported its removal of obsolete parts is about 75% complete. They are continuing to work with vendors to return as much product as possible for full or reduced value. Further, low dollar value item reduction is about 95% complete, having converted about 600 part numbers to shop supplies so far. May 2021: Auditors reviewed the department's new reports used to monitor parts inventory and scheduled work to bring stock closer to a just-in-time basis and minimize slow moving and obsolete items.	Implemented	<input checked="" type="checkbox"/>
1B	The Fleet Management Director should install electronic keypads on the three Parts room doors and install security cameras in each storage room. Further, limit Parts room access to the Parts staff and necessary management.	Sept 2019: Management reported Facilities has been contacted and a vendor cost proposal received for card reader installation. The next step is identifying funding. September 2020: Management reported that card readers have been installed; auditors confirmed the card reader at the North Corp Yard Parts room. As well, Fire department items have been removed from the Parts room storage and they no longer have access to the	Implemented	<input checked="" type="checkbox"/>
1C	The Fleet Management Director should improve FASTER system access by removing unnecessary system administrator accounts and tracking user access changes. Further, FASTER system access should be regularly reviewed to ensure former employees are deactivated and access is based on the least privilege principle.	Sept 2019: Auditors reviewed system documentation of user access changes that included removing the system admin account and adjusting how former employee access is removed.	Implemented	<input checked="" type="checkbox"/>
2A	The Fleet Management Director should re-evaluate the current performance measure considering the context of inventory carrying costs. Specifically, work with departments to categorize vehicles as either essential or non-essential and determine backup availability to establish service turnaround requirements.	Sept 2019: Management reported that the performance measure of a one-day turnaround has been removed, and they are, instead, working to achieve an average turnaround of less than 5 days. Auditors will evaluate the impact on the parts inventory in conjunction with following up on other related recommendations.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Fleet Management Director should re-evaluate the Parts inventory according to the need-driven vehicle turnaround priorities, item turnover rates and parts delivery lead-times. Identify high-priority items that require long lead-times or are for essential vehicles to determine which items are kept in stock.	Sept 2019: Management reported this recommendation is in progress. Sept 2020: Management reported that there are ongoing efforts to clean up the inventory. They have removed shop supplies from inventory, and an employee has recently been assigned to evaluate whether unused and low-use items need to be available in inventory or can be restocked quickly if needed. This project is expected to take about 6 months to complete. Jan 2021: The department reported working with vendors to potentially have "PM kits" ready for just in time orders. They are continuing to work with vendors on potential issues such as hours of operation and physical locations. May 2021: Auditors reviewed the department's new reports used to monitor parts inventory and scheduled work to bring stock closer to a just-in-time basis and minimize slow moving and obsolete items.	Implemented	<input checked="" type="checkbox"/>
2C	The Fleet Management Director should adjust the Parts room schedule to align with the volume of parts issued and provide for balanced supervisory time for the staff on each shift.	Sept 2019: Management reported this recommendation is in progress. Sept 2020: Auditors noted that the updated staff scheduling provides coverage better aligned with parts issuance volumes. Also, an experienced Parts staff has changed to a Monday through Friday midday shift and can provide assistance to both morning and evening shift staff.	Implemented	<input checked="" type="checkbox"/>
1913	Benefits Administration	Issued:	1/16/2019	
1A	Human Resources management should re-evaluate the use of consultants to conduct City procurements and involve the Purchasing department to ensure future procurements comply with City Procurement Code. Further, obtain and retain the documentation of the process and proposals for procurements conducted by consultants.	April 2019: Human Resources and Purchasing management reported that they are working together to ensure that the benefit contracts will follow all City requirements, including retaining appropriate procurement documentation. In particular, the departments have begun working on the RFP for one of these agreements. Oct 2019: Auditors reviewed the RFP for the Investment Consulting Services for the City's deferred compensation and post-employment plans. The RFP specified the consultant's responsibilities to include "...assisting the City with developing and issuing its own RFP or other solicitation for a separately awarded firm to administer the plans...." as well as other terms describing responsibility for assisting the City in evaluating proposals and negotiating the related contracts.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1B	Human Resources management should work closely with the Purchasing department to ensure that contracts are publicly awarded and extended in accordance with the City's Procurement Code and the contract's terms. Specifically, ensure documentation is retained of the Contract Administrator's analysis and recommendations and the Purchasing Director's concurrence when applicable.	April 2019: Human Resources and Purchasing management reported that they are working together to ensure that the benefit contracts will follow all City requirements, including retaining appropriate procurement documentation. In particular, the departments have begun working on the RFP for one of these agreements. Additionally, the Contract Administrator is using a contract matrix to track and document requirements. Oct 2019: Auditors reviewed a recent RFP and contract and two contract extensions. The HR department worked with Purchasing to follow the applicable requirements.	Implemented	<input checked="" type="checkbox"/>
1C	Human Resources management should ensure future benefit-related agreements include clearly defined contract services and deliverables, with specific, measurable and time-based descriptions.	April 2019: Human Resources management reported that the Contract Administrator will work with Purchasing on all future benefit-related agreements for their expertise to help define contract services and deliverables with specific and measurable descriptions. Oct 2019: Auditors reviewed the recent RFP and contract for investment consultant services for the City's deferred compensation and post-employment health plans. The RFP listed the consultant's responsibilities, including assisting in developing RFPs or other solicitations, reviewing proposals and providing input on contract development.	Implemented	<input checked="" type="checkbox"/>
1D	Human Resources management should transfer the \$11,750 to the current 457(b) Plan provider to be used for administrative fees.	April 2019: Human Resources management reported that, in consultation with Accounting, rather than transferring the money to the Plan provider, they will directly pay the consultant's invoices up to the \$11,750 total. The first invoice for \$6,237.50 was paid in February. The balance is expected to be paid out in May or June 2019. Oct 2019: Auditors confirmed that the City paid \$5,512.50 to Innovest in May 2019, with the deferred comp administrator paying the rest of the invoice balance.	Implemented	<input checked="" type="checkbox"/>
2	Human Resources management should ensure applicable third-party agreements contain language to reasonably ensure employee PII and PHI is adequately safeguarded.	April 2019: In addition to information stated in the initial response, Human Resources management reported that the investment consultant stated it does not have access to PII or PHI data and it is reviewing other providers to determine if a Business Associate Agreement is needed. Auditors will review upcoming benefit contracts for the PII and PHI related contract language. Oct 2019: Auditors reviewed the new Business Associate Agreement for the Flexible Spending Account provider.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3A	Human Resources management should ensure staff monitor use of the available Wellness/Health Improvement Fund to maximize employee wellness programs provided each year. In addition, work with the City Treasurer's office to submit the claims and properly direct the resulting reimbursements.	April 2019: Human Resources management reported the Contract Administrator has worked with Accounting to develop a new account number for tracking and a written process to follow. Auditors will review the FY 2018/19 reconciliation and related transactions for the next update. Oct 2019: Auditors reviewed the provided spreadsheet; the recorded amounts totaling \$150,000 differed from the general ledger amounts totaling \$134,500. The reconciliation of these amounts will be reviewed for a future update. April 2020: Benefits staff provided an email from Cigna listing transactions totaling the \$150,000. From this listing, auditors were able to verify the individual payments and expense reimbursements.	Implemented	<input checked="" type="checkbox"/>
3B	Human Resources management should ensure the Contract Administrator maintains organized, complete and easily accessible contract files, including correspondence, conversation notes, issue resolution and other data pertinent to the contract.	April 2019: Human Resources management reported that benefit-related contract files have been created or updated and are secure, including electronic folders to organize correspondence, issue resolutions, notes and other information pertinent to each contract. A contract matrix has been created for each contract to define deliverables, due dates, and other notes. Auditors will review completeness of this documentation for the next update. Oct 2019: Auditors reviewed the contract administration matrix, which listed each applicable contract and specific information on key deliverables, deadlines and document locations.	Implemented	<input checked="" type="checkbox"/>
3C	Human Resources management should ensure access to network folders containing PHI and PII is limited to only those staff with a business need to access the information for their day-to-day job duties.	April 2019: Human Resources management reported that a separate folder was created for the one staff needing access to certain limited benefit-related information. Auditors confirmed her access was adjusted during the audit.	Implemented	<input checked="" type="checkbox"/>
1917	Landfill Recycling Cost Review	Issued:	9/3/2019	
1A	The Public Works Director should not rely on the River Recycling facility financial analysis provided by the subcontractor in May 2019.	March 2020: After consideration of available recycling options, the Public Works Director recommended to the City Council a recycling contract with the City of Phoenix. The City Council approved the new contract as part of the March 17, 2020 consent agenda.	Implemented	<input checked="" type="checkbox"/>
1B	The Public Works Director should require the recycling facility operator to provide complete supporting cost documentation for audit review before agreeing to renegotiate contract terms.	March 2020: After consideration of available recycling options, the Public Works Director recommended to the City Council a recycling contract with the City of Phoenix. The City Council approved the new contract as part of the March 17, 2020 consent agenda.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1C	The Public Works Director should, if renegotiating the City's recycling contract terms in advance of the agreement's termination date, evaluate whether proposed terms have a proportionate impact on risk distribution between the City and other parties.	March 2020: The Public Works Director did not renegotiate contract terms as the recycling facility was destroyed by fire. After consideration of available recycling options, the Public Works Director recommended to the City Council a recycling contract with the City of Phoenix. The City Council approved the new contract as part of the March 17, 2020 consent agenda.	Not Applicable	<input checked="" type="checkbox"/>
2	The Public Works Director should include the users' proportionate contamination (rejected recycling tons) impact on costs if renegotiating the City's recycling contract terms.	March 2020: The Public Works Director did not renegotiate contract terms as the recycling facility was destroyed by fire. After consideration of available recycling options, the Public Works Director recommended to the City Council a recycling contract with the City of Phoenix. The City Council approved the new contract as part of the March 17, 2020 consent agenda.	Not Applicable	<input checked="" type="checkbox"/>
2003	Police Technology Services	Issued:	8/4/2020	
1A	The Police Chief should require TSD to work with City IT to establish a service level agreement that details the roles and responsibilities of each department in managing technology risks.	March 2021: Auditors reviewed the Service Level Agreement that the department developed in conjunction with City IT.	Implemented	<input checked="" type="checkbox"/>
1B	The Police Chief should require TSD to update and expand on the existing Continuity of Operations Plan, including performing risk assessment, identifying critical technology systems, testing backup and recovery processes, and establishing incident response policies and procedures.	March 2021: Auditors reviewed the department's updated continuity of operations plan, which was completed in March.	Implemented	<input checked="" type="checkbox"/>
2A	The Police Chief should require TSD to work with other Police Department units to establish policies and procedures to ensure timely deactivation of separated employees' access and centralize user access information, including authorizations to add, change, or remove user access.	March 2021: The department reported that a process improvement team initiated in November 2020 is reviewing its processes and will be reporting back in April. May 2021: The department reported that the process improvement team provided several detailed recommendations, and the department has assigned staff representatives of the involved areas to coordinate and participate in implementing them. As well, the team will be evaluating whether an out-processing component available for the City's current system may be helpful to add as a solution. Within the next 60 days, process mapping will begin for the on-boarding processes.	In Progress	<input type="checkbox"/>
2B	The Police Chief should require TSD to review existing access to department server rooms and restrict access on a least-privilege basis.	March 2021: Auditors reviewed the department's update and its new approval process.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2C	The Police Chief should require TSD to establish policies and procedures for change management, including authorization, documentation and verification of program changes.	March 2021: The department is continuing to work on this recommendation. May 2021: The department reported it is working with City IT to explore the use of existing City technologies for the new change management procedure.	In Progress	<input type="checkbox"/>
2004	Airport Terminal Area Redevelopment Construction Contract		Issued:	6/4/2020
1A	The Aviation Director should ensure adequate supporting documentation is provided to evaluate the reasonableness of proposed general conditions costs, approve a detailed budget of allowable costs and incorporate the budgeted costs into the contract documents.	Dec 2020: The Aviation department has developed a new Construction Manager at Risk process manual. This guidance addresses reviewing general conditions costs and requiring a detailed cost breakdown to aid in this cost evaluation. Auditors reviewed documents for a recent Aviation CMAR contract, which included the general conditions cost breakdowns and typical types of costs.	Implemented	<input checked="" type="checkbox"/>
1B	The Aviation Director should ensure that all allowances are identified and included in the Allowance Log.	Dec 2020: The Aviation department's new CMAR manual includes requiring the CMAR to submit requests for allowance use with supporting documentation. Further, allowances are to be logged and monitored throughout the project. Auditors reviewed an example from a recent Aviation contract.	Implemented	<input checked="" type="checkbox"/>
1C	The Aviation Director should use independent cost estimate results and reviews of the GMP proposal when negotiating the GMP amount and document the negotiations.	Dec 2020: The Aviation department's new CMAR manual requires independent cost evaluation of CMAR costs that did not involve at least three bids. Also, the related cost review and negotiation documentation is to be retained. Auditors reviewed example cost documentation from a recent Aviation project.	Implemented	<input checked="" type="checkbox"/>
1D	The Aviation Director should ensure detailed subcontractor selection plans are submitted with RFQ proposals and evaluate them during contractor selection.	Dec 2020: The Aviation department's new CMAR manual requires the contract administrator to ensure subcontractor selection plans are submitted as part of the Statement of Qualifications and evaluated by the CMAR selection committee. Auditors reviewed the subcontractor selection plan submitted by the awarded contractor for a recent Aviation CMAR RFQ. As well, the manual states the contract administrator should confirm the CMAR is using its subcontractor selection plan during the awarded contract.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2A	The Aviation Director should ensure supporting information is provided for modifications to the approved Schedule of Values and changes are reviewed and approved. Further, Aviation should seek reimbursement for overpaid amounts.	Dec 2020: The Aviation department's new CMAR manual requires the contract administrator to approve all Schedule of Values changes, and this is to be verified as part of the pay application review process. As well, the department is working to recover overpaid amounts from this CMAR, including evaluating any additional information provided. Most recently, while the CMAR agreed that some change orders and back-charges were not properly processed or reported, it wants to retain those amounts to cover "unfunded" costs. May 2021: The department reported it is currently using its new CMAR process manual for another ongoing project. Additionally, the department and the CMAR contractor settled the questioned costs, with Airport receiving a check for \$91,000.	Implemented	<input checked="" type="checkbox"/>
2B	The Aviation Director should monitor and verify the use of allowances.	Dec 2020: The Aviation department's new CMAR manual requires that the CMAR submit requests for use of allowances with supporting documentation. Allowance requests are to be logged and monitored, and costs are reviewed before the contract administrator will decide whether to approve. (This log is also being used to track contingency funds.)	Implemented	<input checked="" type="checkbox"/>
2C	The Aviation Director should establish procedures for submitting, reviewing, and approving change requests.	Dec 2020: The Aviation department's new CMAR manual states each change order request must have supporting documentation. After a cost review and negotiation, the contract administrator will evaluate approval. These change orders or contingency fund uses will be logged and monitored along with allowances.	Implemented	<input checked="" type="checkbox"/>
2D	The Aviation Director should establish procedures for verifying the accuracy of amounts submitted for reimbursement on monthly pay applications, such as ensuring adequate supporting documentation is provided and tracking cumulative amounts invoiced. Additionally, Aviation should seek reimbursement for overpaid amounts.	Dec 2020: The Aviation department's new CMAR manual states that the contract administrator will review pay applications for accuracy and supporting documentation. For example, specifically mentioned are the general conditions, insurance, bonds and fee; percentages of completed work; subcontractor amounts; and uses of allowances and contingencies. Further, the department is working to recover overpaid amounts and review any additional information provided by the CMAR. May 2021: The department reported it is currently using its new CMAR process manual for another ongoing project. Additionally, the department and the CMAR contractor settled the questioned costs, with Airport receiving a check for \$91,000.	Implemented	<input checked="" type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3	The Aviation Director should adopt policies and procedures for the retention of contract-related documents.	Dec 2020: The Aviation department had established document retention guidelines. Some documents are retained in print form (particularly procurement and contract-related files), while most construction-related files are retained electronically. Auditors observed the current electronic project file set up on the City's network. Electronic as-builts are to be sent to CPM, Facilities and GIS, and the print documents stored in the department's Archive room after project closeout. As well, the department is now obtaining project inspection reports as they are completed rather than at the project's end.	Implemented	<input checked="" type="checkbox"/>
2005	Facilities Management Contract Administration	Issued:	1/13/2020	
1A	The Facilities Management department management should develop written policies and procedures and provide training to require contract administrators to ensure the billed amounts agree to the contract pricing amount and billed services are authorized and documented in the contract file. Facilities Management should also work with the City Attorney's office to recover all overpayments.	Sept 2020: The Facilities Management director reported that contract administrators have been advised it is their responsibility to verify invoiced amounts to contract pricing where applicable, and further training will be addressed in the policy creation process. The department has implemented further use of the Archibus system to log invoices and invoice and payment tracking spreadsheets for tracking invoices and change orders. Further, the director reported that staff has been reviewing and vetting past invoices for the overpaid contractor, and they will work with the vendor and Purchasing for credits as applicable, and with guidance of the City Attorney's office as necessary. Jan 2021: The department reported its staff is continuing to pay and track invoices as described in September 2020. Also, digital storage of invoices has improved, and invoices are being tracked in Archibus as well. While the department reported progress with its process improvement, it plans to begin writing policies and procedures in April for completion by July 1, 2021. Due to turnover in key positions, the department has not made progress on overpayment recovery. May 2021: The department reported it has created two standard operating procedures for contract coordinators on annual contracts and project management. It also stated all staff have been made aware of and trained on the policies and procedures. The overpayment will not be pursued as the department decided only \$15,000 was an overpayment but the company is no longer a City contractor. Auditors have requested supporting documentation for review.	In Progress	<input type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1B	The Facilities Management department management should develop written policies and procedures and provide training to require contract administrators to retain the agreed-upon scope of work and pricing quote in the contract file and verify that the work performed matches the agreed-upon scope and the billed amounts match the agreed-upon pricing.	<p>Sept 2020: The Facilities Management director reported that contract administration staff has started training in Sharepoint use. When all users are proficient, they plan to develop written procedures for the Sharepoint site requirements. Also, they have created a project requirement checklist to ensure the required contract documents for each project/contract are in its electronic folder. Also, staff have created standard folder naming conventions and setup the Sharepoint site organization. They are working with Purchasing to create standard templates, including scope of work, suitable for use with City and other government contracts. Jan 2021: The department reported it has not yet developed policies and procedures but is making progress in developing organized document storage in Sharepoint. This includes storing the standard templates developed with Purchasing. The department also reported that a project folder checklist is now in place and will be used to ensure document retention compliance. In addition, some work order requests are being tracked in Archibus. Auditors will review again as invoice review procedures are developed and formalized. May 2021: The department reported it has created two standard operating procedures for contract coordinators on annual contracts and project management. These include a project folder checklist of required documentation. The department also stated all staff has been made aware of and trained on the new policies and procedures. Auditors have requested supporting documentation.</p>	In Progress	<input type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2A	The Facilities Management department management should develop policies and procedures and train its contract administrators to document contract requirements and contractor performance measures, monitor contractor performance, and consistently and effectively address performance concerns, including use of potential financial and other penalties when appropriate.	<p>Sept 2020: The Facilities Management director reported that custodial performance will be monitored using Archibus and management is in the process of training contract administrators on proper methods of documenting poor contractor performance. Management has created a City Daily Report, which can be used for certain contracts' management such as construction projects. Recently, the department has used two part-time employees from the Parks and Recreation department to assist with monitoring custodial vendor work. Due to the high volume of custodial work being performed across the City, the director believes another contract administration position is needed to assist with workload.</p> <p>Jan 2021: The department reported that the two loaned City employees are assisting with verifying custodial services performance, including pictures of poor or acceptable performance. Auditors reviewed documentation maintained to address recent problematic contractor performance. The department still plans to develop written procedures to help assure consistent monitoring, documentation and problem resolution.</p> <p>May 2021: The department reported it created two standard operating procedures for contract coordinators on annual contracts and project management. As well, the department noted that the two loaned employees have been trained and continue to monitor vendor performance. Auditors will review implementation of the new procedures and related documentation, such as vendor performance and invoice review and tracking.</p>	In Progress	<input type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Facilities Management department management should develop policies and procedures and train its contract administrators to retain documentation in the contract file as required by AR 215, Contract Administration, and as needed based on the applicable contract's terms.	<p>Sept 2020: The Facilities Management director reported that they have created standards for contract files and documentation in Sharepoint. Document types have been created for contractor performance documents and staff will be trained on how to upload and properly name documents for the new process. Additionally, as new scope of work documents are created, performance deficiency remediation language will be included, with Purchasing's and Legal's approval. Jan 2021: The department reported its process of developing standardized documents and records retention is still underway. It also noted while performance deficiency language is currently in place for most contracts, improvement is still needed for better control of underperforming contractors. Based on auditor review, the department has begun to centrally retain documentation, but some files did not yet include the contract, contractor communications or other related documents. May 2021: The department reported it created two standard operating procedures for contract coordinators on annual contracts and project management. It also stated staff has been made aware of and trained on the new policies and procedures. Auditors will review documentation of the department's implementation of the new procedures.</p>	In Progress	<input type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3A	The Facilities Management department management should develop written policies and procedures that outline the necessary contract administration documentation to retain in the contract file, train its contract administrators on the City and departmental requirements, and develop a monitoring process to verify the requirements are met.	<p>Sept 2020: The Facilities Management director reported that they are developing written policies to address records retention using Sharepoint. Starting this fiscal year, a project requirement checklist has been created to ensure minimum contract documents will be retained in each electronic project folder. Further, the director noted that while standards have been created for this fiscal year, any changes will not be implemented until next fiscal year. Jan 2021: The department reported document retention and organization is still underway. Further, the Facilities Service Area Manager will be responsible for checking completeness of the digital folders. However, policies and procedures have not yet been written. Based on auditor review, the files do not yet have an organized file naming structure so it's difficult to determine if documentation is complete, and there was not yet evidence of management review. May 2021: The department reported it created two standard operating procedures for contract coordinators on annual contracts and project management. Also, new SharePoint files have been created for all of this year's new projects, and they will be moved to Archibus in a completed-not verified status until the Service Area Manager verifies information is complete. Auditors will review documentation for implementation of the new procedures.</p>	In Progress	<input type="checkbox"/>
3B	The Facilities Management department management should establish a timely, consistent management review process to verify that contract administration files are complete and accurate.	<p>Sept 2020: The Facilities Management director reported that contract administrators will be responsible for self-auditing their contract files using the project folder checklist. The Facilities Service Area Manager overseeing the Contracts and Projects team will be responsible for ensuring each contract administrator is maintaining files accordingly. The Archibus project will not be closed unless the minimum documentation required by Administrative Regulation 215 has been included in the Sharepoint project file. Jan 2021: The department reported it plans to have written procedures in place by July 1, 2021. They have added Archibus links to the project information page for each project to the Sharepoint documents. Also, their goal is to have two layers of review prior to closeout. May 2021: The department reported it created two standard operating procedures for contract coordinators on annual contracts and project management. It also stated all staff has been made aware of and trained on the new policies and procedures and a project folder checklist and review process will help ensure files are complete. Auditors will review documentation of implementation of the new procedures.</p>	In Progress	<input type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3C	The Facilities Management department management should develop written policies and procedures for prioritization, planning and scheduling its contracted service, maintenance and repair projects.	<p>Sept 2020: The Facilities Management director reported that Archibus has a project prioritization feature and a written policy for prioritization can eventually be established and used when creating projects. Management will work with the Contracts and Projects team on prioritizing their projects based on predetermined criteria, such as seasonal work, critical work, level of disruption, immediate need, etc. Jan 2021: The department reported that the first draft of project prioritization has been established, and it will be used for project identification, scheduling and budgeting for all deferred projects identified in the Facilities operating budget. The process will be used for future projects and not for previously completed projects. Currently the priority numbers range from 1 - Life Safety/Code/Immediate ADA Compliance to 5 - Client Wishlist Requests. Additional priority levels or subpriorities will be needed to forecast work for the year once the approved project list is distributed to staff, such as seasonal work, immediate need, etc. May 2021: The department reported it is still working on drafting its prioritization and plans to complete it by July 1. In addition to the previously noted priorities, other prioritization considerations will be budget availability, event scheduling, scope of work, timeline to complete, weather, vendor availability and customer needs.</p>	In Progress	<input type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2006	Scottsdale's Museum of the West Contract	Issued:	3/3/2020	
1A	The Contract Administrator should request reimbursement from SMoW Inc. for the City's payments for the administration building utilities and discontinue the City's payments for this building's utilities. In addition, review maintenance work orders periodically to determine whether the items are within the City's responsibility. Further, develop written clarification for other items, such as hot water heater repairs and humidity control system components.	Sept 2020: After meeting with Real Estate and Facilities, the Contract Administrator stated there is not currently a way to separate city vs. museum electrical. Further discussions will determine next steps. The Contract Administrator notified the museum and Facilities that either she or Real Estate will review maintenance work orders to determine whose responsibility they are. Also, the Contract Administrator and Real Estate plan to clarify repair responsibilities in the agreement terms this fall. Jan 2021: The Contract Administrator reported that she is following up on the maintenance work orders that continue to take place directly between the Museum and the City's Facilities department. She continues to work on a draft agreement, though this has been delayed by work on other more pressing city contracts. May 2021: The Contract Administrator and Legal have prepared a new draft agreement that includes updated language related to the administration building utilities. SMoW has reviewed the draft. After the City Manager's review, the agreement will go to the City Council.	In Progress	<input type="checkbox"/>
1B	The Contract Administrator should work with SMoW Inc. to ensure that all required reports are complete and submitted to the City on a timely basis.	Sept 2020: The Contract Administrator stated she met with the museum Executive Director and will ensure required reports are submitted to the City timely. Also, Real Estate and the Contract Administrator plan to update the agreement to streamline required reports to avoid duplication. Jan 2021: The Contract Administrator reported that the draft agreement has been delayed by other city contracts, but in late January it will be sent for review by Real Estate and Legal. May 2021: The Contract Administrator and Legal have prepared a draft agreement that includes updated reporting requirements. SMoW has reviewed the draft. After the City Manager's review, the agreement will go to the City Council.	In Progress	<input type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2008	Fleet Operations	Issued:	8/7/2020	
1A	The Fleet Management Director should use a published inflation index, such as Bureau of Labor Statistics price change data, to estimate the future expected replacement cost for each class of vehicle and determine discrete escalation rates for specialty vehicles.	Jan 2021: The department responded that, as recommended, specialty equipment rates are based on actual recent replacement escalation factors. Units without a recent replacement history are based on the BLS consumer price index for Phoenix. Auditors will review the implementation of rate factors for a future quarterly update. May 2021: Based on further review, the department continues to use its internally developed cost escalation rate for most vehicles and plans to use the BLS inflation rate for those that are not replacements (added vehicles). The department has, however, added discrete escalation rates for police and fire vehicles as recommended.	Part Impl'd	<input checked="" type="checkbox"/>
1B	The Fleet Management Director should use historical vehicle auction proceeds to estimate vehicles' salvage values in the replacement fee calculations.	Jan 2021: The department is discussing with the Assistant City Manager, the Acting City Treasurer, and Budget its vehicle rate calculations. May 2021: The department reported that based on the vehicle rate discussion, salvage revenues will continue to be used in the Fleet Fund as overhead reimbursement rather than applied to reduce vehicle replacement rates.	Not Impl'd	<input checked="" type="checkbox"/>
1C	The Fleet Management Director should regularly compare estimated useful lives with the length of actual usage experience and adjust vehicles useful lives as appropriate. Further, discontinue charging vehicle replacement fees after the projected replacement cost has been funded.	Jan 2021: The department is discussing with the Assistant City Manager, the Acting City Treasurer and Budget its vehicle rate calculations. May 2021: The department reported that based on the vehicle rate discussion, it will be allowed to continue charging vehicle replacement rates as long as a vehicle is being used. Additionally, Fleet will regularly evaluate lifecycles and rates will be based on the expected lifecycles.	Part Impl'd	<input checked="" type="checkbox"/>
2A	The Fleet Management Director should ensure that the programming is correctly calculating the replacement fees for all fleet equipment.	Jan 2021: The department stated that the error identified by the audit was corrected and it will work on putting a review process in place for future changes. May 2021: The department stated that the rates report will be validated at least annually using spreadsheet calculations. This internal review process has not yet been used.	In Progress	<input type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Fleet Management Director should ensure that fleet equipment is properly presented on the annual listing used to calculate replacement fees.	Jan 2021: The department indicated this recommendation is in progress. May 2021: The department reported it has changed timing of its rate calculations for the upcoming fiscal year. Equipment to be replaced during the current year will be omitted from the calculations and on-order equipment will be added in. Since rates are set in November, some timing issues may remain though at a reduced level.	Implemented	<input checked="" type="checkbox"/>
2C	The Fleet Management Director should develop policies and procedures with criteria to exempt fleet vehicles from the replacement program and documentation for the exemptions. Also, modify and consistently use a rate calculation methodology to equitably charge replacement fees to all remaining fleet equipment.	Jan 2021: The department is discussing with the Assistant City Manager, the Acting City Treasurer and Budget its vehicle rate calculations. May 2021: The department reported that, based on the vehicle rate discussions, it will be exempting Aviation, grant-funded, donated and RICO vehicles from the rate calculations. Also, redeployed vehicle rates will be based on the estimated market value at the time of redeployment rather than a zero value or the original cost.	Implemented	<input checked="" type="checkbox"/>
3A	The Fleet Management Director should establish a method to charge departments for motor pool use, such as a per-mile rate. Then work with departments with low-use vehicles to promote the use of motor pool vehicles for overall City savings.	Jan 2021: The department stated this is part of its fleet software considerations. May 2021: The department reported that motor pool software cost was not cost effective. So motor pool expenses will be a Fleet overhead expense covered by vehicle rates. Four low-use vehicles were returned to Fleet and redeployed, and one replaced vehicle was auctioned as surplus. The department stated two additional low-use vehicle returns are in process.	Part Impl'd	<input checked="" type="checkbox"/>
3B	The Fleet Management Director should develop a standardized process for communicating with departments about overdue preventative maintenance, including specific time frames for reminder messages, tracking emails and calls, and escalation to higher management levels when appropriate.	Jan 2021: The department stated this remains to be completed and may be part of its fleet software considerations. May 2021: The department stated this remains in process.	In Progress	<input type="checkbox"/>
2009	Ambulance Services Contract	Issued:	10/8/2020	
1A	Fire Department management should ensure the ambulance services contractor, as required by the contract, provides an ambulance response time report with response time compliance, supporting call data, and explanations of performance exceptions. The Contract Administrator should retain these reports and related documentation in the contract administration file.	Feb 2021: Auditors reviewed documentation of response time compliance reviews that are now conducted monthly prior to the billing. The documentation is signed by the ambulance services contractor's representative and the Contract Administrator.	Implemented	<input checked="" type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1B	The Fire Department management should ensure original dispatch center call data files are maintained for the time period required by the department's records retention schedule and AR 215. Also, the department should investigate potential data errors, including obtaining replacement dispatch center data files, if available, to resolve them.	Feb 2021: The department is now retaining the data files according to the records retention policy and AR 215, and staff includes data assessments as part of the monthly meetings with the ambulance service contractor.	Implemented	<input checked="" type="checkbox"/>
1C	The Fire Department management should consult with the City Attorney to clarify the contract's upgraded/downgraded call response time requirements. Further, the Contract Administrator should review the ambulance contractor's monthly compliance reports for accuracy and completeness.	Feb 2021: Auditors review the signed document that the parties prepared to clarify the upgrade/downgrade response time methodology, and reviewed documentation of the parties' monthly meeting to review response time performance for completeness and accuracy.	Implemented	<input checked="" type="checkbox"/>
2A	Fire Department management should ensure the EMS staff clarifies and develops additional written procedures, such as using a verification checklist and review by a supervisor or other experienced staff, to ensure accuracy in the ALS service reimbursement billings.	Feb 2021: The department revised its billing report that is used to support the City's invoice. Based on the department's report testing, the billing report now correctly only includes ALS calls (no BLS calls). Further, the administrative staff can now export the new report and no longer have to copy it into a spreadsheet and make other adjustments.	Implemented	<input checked="" type="checkbox"/>
2B	Fire Department management should require the Contract Administrator to ensure: • Invoices are accurate and timely. A supervisor or independent staff should review the ALS service reimbursement calculations before sending the information to Accounting for billing. • The ambulance services provider pays the City within 30 days as stated in the contract. Further, Fire Department management should consider adding interest and/or late payment penalty contract terms to incentivize timely payments. • Additionally, ensure the PIC salary reimbursement annual increase is calculated in accordance with the contract terms.	Feb 2021: Auditors reviewed the December 2020 invoice and noted that the number of incidents billed was one more than listed in the billing support. Based on recent months, the contractor's payments to the City continue to be later than 30 days. Auditors reviewed the signed document clarifying the parties' understanding of the contract terms, including the PIC salary adjustment. May 2021: The department reported it is continuing to work with Accounting on billing timeliness and accuracy.	In Progress	<input type="checkbox"/>
3A	Fire Department management should evaluate the operational impact of sending a City firefighter paramedic on BLS ambulance transports or modify the contract to also require BLS reimbursement.	Feb 2021: The department reported that the Fire Chief and senior staff reviewed the transportation policy and no changes were made. The December 2020 contract extension retains the same terms.	Part Impl'd	<input checked="" type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3B	Fire Department management should evaluate and address the department's ePCR system reliability. Specifically: 1. Ensure staff updates the program's data and documentation policy, including regularly testing and documenting data reliability issues and communications with the vendor to address them. 2. Require a separate test environment be established for testing and training on the ePCR system. Also, require staff to limit system administrator access to the fewest users that are operationally feasible, ensure user access is based on the principle of least privilege, and regularly monitor and update user access.	Feb 2021: The department reported it has discussed expectations and issues with the ePCR vendor, which has resulted in many changes, including system backups and a separate test environment for prototypes and system changes. Auditors reviewed the draft data and documentation policy, which the department noted has not yet been finalized. As well, auditors reviewed the department's updated system access listing. May 2021: The department reported the draft policy should be completed by June 30, 2021.	In Progress	<input type="checkbox"/>
3C	Fire Department management should ensure that patient information is secured and not accessed or viewed without a business purpose. Specifically: • Work with information technology staff to restrict PHI file locations to a least-privilege basis access and discontinue transmitting PHI to Accounting. • Ensure that staff with access to patient information receive PHI training.	Feb 2021: The department now uses secure mail to transmit patient information to the contractor and has removed PHI from billing support information sent to Accounting. Auditors have requested any PHI staff training documentation. May 2021: The department reported that the City legal department determined the Fire department is not bound by HIPAA, however, its PHI is limited by Arizona Department of Health Services guidance to those needing access for job duties, participation in quality assurance/quality improvement, and data sharing with state agencies. The department has not provided privacy-related training due to this legal conclusion.	Part Impl'd	<input checked="" type="checkbox"/>
3D	Fire Department management should require the Contract Administrator to maintain organized, complete and easily accessible contract administrator files, including records of key conversations, required reports, such as response time performance reports, and other documents pertinent to the contract. In addition, the Contract Administrator should develop a checklist or matrix to organize and track contract requirements.	Feb 2021: The Contract Administrator has organized the files needed for contract administration and has adjusted network access for the EMS program's shared drive. Auditors reviewed the new contract matrix used to track monthly, quarterly, and annual tasks for ensuring requirements are monitored.	Implemented	<input checked="" type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2010	Warehouse Operations	Issued:	10/31/2019	
1A	The Purchasing Director should ensure the Warehouse Manager requires staff handling the inventory transactions to input them directly into SmartStream as they occur to increase accountability and efficiency.	May 2020: The Purchasing Director reported the Warehouse Manager is currently looking at automated inventory systems that update inventories, provide transaction receipts and help manage inventory data. And Warehouse is now providing a copy of the handwritten receipt for the department staff receiving the items. Auditors reviewed transactions and determined that, in the meantime, changes have not yet been made for better transaction entry control. Sept 2020: The department did not report significant change since the previous update, due to the Warehouse's focus on pandemic response (such as PPE, sanitization supplies, etc.). March 2021: The department is not requiring staff to directly input transactions but is now requiring staff to issue duplicate receipts for transactions. The department will continue to look into automating electronic receipts to replace the paper receipts now being used.	Implemented	<input checked="" type="checkbox"/>
1B	The Purchasing Director should ensure the Warehouse Manager requires staff to issue receipts to assist departments in reviewing supply usage and appropriately document returns and refunds with transaction and requester details for manager approval.	May 2020: The Purchasing Director reported the Warehouse Manager is currently looking at automated inventory systems that update inventories, provide transaction receipts and help manage inventory data. And the Warehouse is now providing a copy of the handwritten receipt for the department staff receiving the items. Policies and procedures have not been updated to require supporting documentation for returns and refunds. Sept 2020: The department did not report significant change since the previous update, due to the Warehouse's focus on pandemic response (such as PPE, sanitization supplies, etc.). March 2021: The department is now issuing receipts for transactions, and refund documentation has been improved. The warehouse manager will continue to work on establishing procedures for required documentation and supervisory review of returns and refunds.	In Progress	<input type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1C	The Purchasing Director should ensure the Warehouse Manager adopts policies and procedures to ensure that inventory counts are conducted and documented properly, including documentation of inventory adjustments and management approval.	May 2020: The Purchasing Director reported the Warehouse is now completing full quarterly inventories rather than an annual inventory. Further, written procedures will be developed after an automated inventory system is added. Auditors noted that for the one quarterly inventory completed, no variance adjustments were entered into the system. Sept 2020: The department reported that quarterly inventories were put on hold due to the Warehouse's focus on the pandemic response. They expect to resume the inventories during this quarter. Policies and procedures will be reviewed after a Warehouse manager is hired. March 2021: Policies and procedures have not yet been developed, but based on review of the February 2021 counts, the department has improved its inventory processes. May 2021: Auditors reviewed the department's new inventory procedures.	Implemented	<input checked="" type="checkbox"/>
1D	The Purchasing Director should ensure the Warehouse Manager requires staff to modify the inventory system information so that the item units match the units that are typically issued.	May 2020: The Purchasing Director reported that Warehouse will now be requiring departments to take the entire unit (e.g., box of batteries, case of paper towels) to enhance inventory controls and efficiency. Auditors reviewed the updated units of measure in the inventory system for batteries.	Implemented	<input checked="" type="checkbox"/>
2A	The Purchasing Director should ensure the Warehouse Manager obtains documentation of all jewelry that the contracted appraiser has reviewed; implements appropriate segregation of duties including assigning an employee who is not involved with the auctions to serve as an independent asset custodian; uses a dual custody safe to store valuable items; verifies counts and descriptions of surplus IT items when they are received and documents any discrepancies; and documents the source of any additional items that are included in the auctions.	May 2020: The Purchasing Director reported that, with the Police Department's cooperation, documentation of surplus property transfers has improved. Further, the dual custody safe has been implemented, and an auction company that specializes in technology items and other items requiring additional security protocols has been identified for potential use. Auditors noted that the Warehouse has not yet ensured the jewelry appraiser signs off on all items reviewed. Sept 2020: Due to the Warehouse's focus on pandemic response (such as PPE, sanitization supplies, etc.), the department discontinued picking up surplus property. They anticipate making progress on improvements in 2021. March 2021: The department still needs to update its jewelry appraisal processes and is working to further improve its technology surplus intake process.	In Progress	<input type="checkbox"/>

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Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2B	The Purchasing Director should ensure the Warehouse Manager maintains an inventory of Fleet vehicles received for auction, records the date on which the vehicles are received by the Warehouse and discontinues the practice of issuing open vehicle titles.	May 2020: The Purchasing Director reported that the department is now tracking vehicles received from Fleet and title handling procedures are being developed. Auditors verified the vehicle inventory tracking sheet includes when the vehicle was received from Fleet. Sept 2020: The department did not report significant change since the previous update. However, surplus Fleet sales were temporarily suspended due to the pandemic and Warehouse's focus on pandemic response (such as PPE, sanitization supplies, etc.). March 2021: The department is keeping vehicle titles secured, but still needs to follow up with the City Attorney's office regarding use of open titles. May 2021: The City Attorney's office confirmed the Warehouse can continue issuing open titles.	Implemented	<input checked="" type="checkbox"/>
2C	The Purchasing Director should ensure the Warehouse Manager requires buyers to submit appropriate documentation before granting tax-exemptions and appropriately maintains the documentation in Warehouse files.	May 2020: The Warehouse is working to develop an organized process to document tax-exempt certificates from the buyers. Sept 2020: The department did not report significant change since the previous update. However, surplus property sales have been temporarily suspended due to the pandemic and Warehouse's focus on pandemic response (such as PPE, sanitization supplies, etc.). March 2021: Auditors verified that all bidders' tax-exempt status has been removed and selected a tax-exempt transaction to confirm appropriate state-issued tax-exempt documentation was retained.	Implemented	<input checked="" type="checkbox"/>
2D	The Purchasing Director should ensure the Warehouse Manager modifies the auction terms to note when refunds may be given. In addition, the Warehouse Manager should require any refund request to be submitted in writing and properly documented in accordance with AR 268, Cash Handling.	May 2020: The Purchasing Director reported that modified auction terms have not yet been drafted. They are considering the refund process, including updated terms and conditions, standardized request forms, and updated procedures. Sept 2020: The department did not report significant change since the previous update. However, surplus property sales have been temporarily suspended due to the pandemic and Warehouse's focus on pandemic response (such as PPE, sanitization supplies, etc.). Also, policies and procedures will be reviewed when a new Warehouse manager is hired. March 2021: The new Warehouse manager is evaluating auction terms with revisions expected by May 2021; policies and procedures for refunds are not yet developed. May 2021: Auditors reviewed the draft procedures and recommended improved documentation and separation of duties.	In Progress	<input type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2E	The Purchasing Director should ensure the Warehouse Manager takes responsibility for destruction and disposal of all City surplus property as required in City Code, including developing or contracting a method for secure destruction of surplus technology items that cannot be sold and managing the auctions of any unclaimed vehicles released through Police Property & Evidence.	May 2020: The Purchasing Director reported that secure destruction is a consideration for the additional auction service provider. As well, a City IT representative has been included on the cross-department committee formed to examine and approve the controls. Sept 2020: The department did not report significant change since the previous update. However, surplus property collection and sales have been temporarily suspended due to the pandemic and Warehouse's focus on pandemic response (such as PPE, sanitization supplies, etc.). March 2021: The new Warehouse manager will work with City IT and the Police department to establish approved destruction procedures. As well, the manager will review processes being used by other departments to auction items.	In Progress	<input type="checkbox"/>
2F	The Purchasing Director should ensure the Warehouse Manager establishes longer hours for buyers to pick up auction items, sets reserve amounts for more valuable items, and requests departments to submit more specific descriptions of auction items.	May 2020: The Purchasing Director noted that the current auction provider highly discourages reserve amounts. However, they will experiment with a few auction items to directly determine the impact. Establishing longer pick-up hours has not been considered viable yet given a staff vacancy but may be reassessed once staffing returns to normal. Sept 2020: The department did not report significant change since the previous update. However, surplus property sales have been temporarily suspended due to the pandemic and Warehouse's focus on pandemic response (such as PPE, sanitization supplies, etc.). March 2021: The new Warehouse manager reported that hours have not been extended but may in the future. Also, buyer pickup procedures have been updated to be more efficient, and a new department surplus form has been created.	In Progress	<input type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3	The Purchasing Director should ensure the Warehouse Manager establishes a method to make City departments aware of available surplus items and maintains an inventory of surplus items as they are received and disposed.	May 2020: The Purchasing Director reported that staff made improvements to the department's Sharepoint site and items are now published for longer periods. Further enhancements are planned to incorporate photos, interest cards and activity tracking to promote continued use of the system. Auditors noted that only 3 items have been posted to the site in 2020. Sept 2020: The department did not report significant change since the previous update. However, the department has temporarily suspended surplus pickups due to the Warehouse's focus on pandemic response (such as PPE, sanitization supplies, etc.). March 2021: The new Warehouse manager will evaluate guidelines for the types of surplus to be held for internal use versus being auctioned and the period of time the items will be available. May 2021: Auditors reviewed the new policy guidelines.	Implemented	<input checked="" type="checkbox"/>
4A	The Purchasing Director should ensure the Warehouse Manager maintains an inventory of items stored for other departments and annually reviews the inventory with those departments to determine whether the items should continue to be stored, be made available to other departments, or be disposed through the auction.	May 2020: The Purchasing Director reported that a cross-departmental committee was formed to examine the warehousing responsibilities. Policies and procedures have not yet been developed regarding inventory, physical security and access responsibilities. Sept 2020: The department did not report significant change since the previous update. The cross-departmental committee has been temporarily suspended until the Warehouse manager is hired and pandemic mitigation efforts subside. March 2021: While this project is still delayed by pandemic priorities, the new Warehouse manager plans to conduct a full inventory of all stored items and review these with the applicable departments.	In Progress	<input type="checkbox"/>
4B	The Purchasing Director should ensure the Warehouse Manager after informing the affected departments, discontinues shipping for other departments unless there are special requirements that can only be handled by Warehouse staff.	May 2020: The Purchasing Director reported that the cross-department committee will be used to consider the priority of shipping services among those provided to internal customers. Sept 2020: The department did not report significant change since the previous update. The cross-departmental committee has been temporarily suspended until the Warehouse manager is hired and pandemic mitigation efforts subside. March 2021: The new Warehouse manager is reviewing the centralized shipping process.	In Progress	<input type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2107	Fire Station Construction Contracts	Issued:	3/24/2021	
2A	The Public Works Director should require CPM to establish approval and communication procedures for change orders funded by force account or contingency funds. Also, work with Purchasing and the City Attorney's Office to clarify contract language to define the term "force account" along with its allowable uses and to limit allowable change order add-ons.		Not Due	<input type="checkbox"/>
2B	The Public Works Director should require CPM to establish department policies and procedures to ensure substantial completion contractual requirements are consistently applied and evaluate whether adjustments to contractual requirements may be needed.		Not Due	<input type="checkbox"/>
2C	The Public Works Director should require CPM to establish policies and procedures for project managers to document causes for delays as they occur, including communications with the contractor regarding the causes and length of delays.		Not Due	<input type="checkbox"/>
2D	The Public Works Director should require CPM to clarify and/or enforce policies and procedures related to the design process, including monitoring deadlines and tracking review comments.		Not Due	<input type="checkbox"/>
2E	The Public Works Director should require CPM to update department policies and procedures clarifying records retention requirements and establishing quality control steps to ensure project files are complete at project closeout.		Not Due	<input type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
2108	Code Enforcement Operations	Issued:	1/29/2021	
1	The Code Enforcement program should develop performance goals and reports that accurately measure the program effectiveness and provide supervisory oversight. These should include: • Evaluating the results and levels of activities, prioritized by importance, and the amount of activity recorded during work hours, including the necessity of Saturday sign duty. • Updating the program's policies and procedures, providing an "expert" resource list, and holding regular staff meetings to encourage shared knowledge and ensure consistent code enforcement activities citywide. • Installing GPS on department vehicles and laptops to improve employee safety and ensuring that City vehicles are not used for personal commuting.	May 2021: Management reported that a reorganization is underway. The results and levels of activities, including Saturday sign duty which is currently on hold, are being evaluated and will be prioritized. The policies and procedures manual is underway as well. These three efforts are planned to be completed by September 30, 2021. In addition, management stated GPS was installed on laptops in February. However, only about half the staff locations are currently displaying on the map and information technology staff are working to debug the issue.	In Progress	<input type="checkbox"/>
2A	The Code Enforcement program should consider consolidating its offices to one location and reclassifying supervisory positions into working leads to provide more field coverage.	May 2021: Management stated that a reorganization is underway and should be completed by September 30, 2021. However, office space is not currently available to consolidate the area offices.	In Progress	<input type="checkbox"/>
2B	The Code Enforcement program should cross-train employees on specialized knowledge, such as Area 4, and enforce documentation requirements so that case knowledge and history is not lost.	May 2021: Management reported that Area 4 cross-training started in January and is ongoing. Also, they are implementing a process to ensure all Area 4 actions are documented to provide case knowledge and history, as well as a process for monitoring completeness of this documentation. Auditors will review the implementation of these processes for the next quarterly update.	In Progress	<input type="checkbox"/>
3A	The Code Enforcement program should work with Revenue Recovery to collect delinquent accounts and clarify with Accounting how to handle delinquent abatement fees that involve liens.	May 2021: Management reported meeting with Revenue Recovery and implementing a process to collect delinquent accounts and delinquent abatement fees that involve liens. Auditors will review this implementation for the next quarterly update.	In Progress	<input type="checkbox"/>
3B	The Code Enforcement program should limit administrative access to the Code Enforcement Tracking System to the least number of accounts that is feasible and limit user access to the information necessary to carry out the related job duties.	May 2021: Management reported that staff has worked to limit CETS access by establishing a list of appropriate users and access levels as needed for their job duties. They will review the access annually. In addition, read-only access has been granted to certain SPD staff to assist in investigating potential Nuisance Party or Unlawful Gathering violations. Auditors reviewed the current access list to confirm the stated updates.	Implemented	<input checked="" type="checkbox"/>

Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
3C	The Code Enforcement program should correct performance measurement calculations to include only relevant cases and activity for each measure.	May 2021: Management reported working with staff to implement the data formula corrections in the CETS and other reports to ensure consistency and effectiveness. These changes included first response goal excluding inspector-initiated cases, average cycle time excluding sign removal cases, and inspector-initiated cases excluding complaint-initiated graffiti cases. Auditors reviewed the updated reports to verify the calculations have been corrected.	Implemented	<input checked="" type="checkbox"/>